

# PRELIMINARY OFFICIAL STATEMENT, DATED FEBRUARY 13, 2026

NEW ISSUE  
BOOK-ENTRY ONLY  
BANK QUALIFIED—2026A BONDS AND 2026B BONDS

Ratings:  
S&P: “AA” (Stable Outlook)  
AG INSURED  
S&P: “A” (Stable Outlook) UNDERLYING  
See “BOND RATINGS” herein

*Subject to compliance by the District with certain covenants, in the opinion of Chapman and Cutler LLP, Chicago, Illinois (“Bond Counsel”), under present law, interest on the Tax-Exempt Bonds (as hereinafter defined) is excludible from gross income of the owners thereof for federal income tax purposes and is not included as an item of tax preference in computing the federal alternative minimum tax for individuals. Interest on the Tax-Exempt Bonds may affect the corporate alternative minimum tax for certain corporations. Interest on the 2026C Bonds is not exempt from present State of Illinois income taxes. See “TAX MATTERS” herein for a more complete discussion. The Tax-Exempt Bonds are “qualified tax-exempt obligations” under Section 265(b)(3) of the Internal Revenue Code of 1986, as amended. See “QUALIFIED TAX-EXEMPT OBLIGATIONS” herein.*

## Community Unit School District Number 139 Randolph County, Illinois (Chester)

**\$1,550,000\* General Obligation Limited Tax School Bonds, Series 2026A**  
**\$5,585,000\* General Obligation School Bonds, Series 2026B**  
**\$290,000\* Taxable General Obligation Refunding School Bonds, Series 2026C**

**Dated: Date of Delivery**

**Due: December 1, as further described on the inside cover page**

The General Obligation Limited Tax School Bonds, Series 2026A (the “2026A Bonds”), General Obligation School Bonds, Series 2026B (the “2026B Bonds”) and, together with the 2026A Bonds, the “Tax-Exempt Bonds”), and Taxable General Obligation Refunding School Bonds, Series 2026C (the “2026C Bonds”) and, together with the 2026B Bonds, the “ULT Bonds” and, the ULT Bonds together with the 2026A Bonds, the “Bonds”), of Community Unit School District Number 139, Randolph County, Illinois (the “District”), will be issued in fully registered form and will be registered initially only in the name of Cede & Co., as registered owner and nominee of The Depository Trust Company, New York, New York (“DTC”). DTC will act as securities depository for the Bonds. Purchasers of the Bonds will not receive certificates representing their interests in the Bonds purchased. Ownership by the beneficial owners of the Bonds will be evidenced by book-entry only. Payments of principal of and interest on the Bonds will be made by UMB Bank, National Association, Kansas City, Missouri, as bond registrar and paying agent, to DTC, which in turn will remit such payments to its participants for subsequent disbursement to the beneficial owners of the Bonds. As long as Cede & Co. is the registered owner as nominee of DTC, payments of principal of and interest on the Bonds will be made to such registered owner, and disbursement of such payments will be the responsibility of DTC and its participants. Individual purchases of the Bonds will be made in the principal amount of \$5,000 or any integral multiple thereof.

The Bonds will bear interest from their dated date at the rates per annum as shown on the inside cover page. Interest on the Bonds (computed on the basis of a 360-day year consisting of twelve 30-day months) will be payable semi-annually on each June 1 and December 1, commencing June 1, 2026.

Proceeds of the 2026A Bonds will be used to (a) increase the working cash fund of the District, (b) pay certain interest on the 2026A Bonds and (c) pay costs associated with the issuance of the 2026A Bonds. Proceeds of the 2026B Bonds will be used to (a) construct fire prevention and life safety improvements to the existing school buildings of the District, (b) refund certain outstanding bonds of the District, (c) pay certain interest on the 2026B Bonds and (d) pay costs associated with the issuance of the 2026B Bonds. Proceeds of the 2026C Bonds will be used to (a) refund certain of the District’s outstanding bonds, (b) pay certain interest on the 2026C Bonds and (c) pay costs associated with the issuance of the 2026C Bonds. See “USE OF PROCEEDS” herein.

The 2026A and 2026C Bonds are not subject to redemption. The 2026B Bonds are subject to optional redemption prior to maturity as set forth herein. See “THE BONDS—Redemption” herein.

The scheduled payment of principal of and interest on the Bonds when due will be guaranteed under an insurance policy (the “Bond Insurance Policy”) to be issued concurrently with the delivery of the Bonds by Assured Guaranty Inc. (“AG”). See “BOND INSURANCE” and APPENDIX D herein.



In the opinion of Bond Counsel, the 2026A Bonds are valid and legally binding upon the District and are payable from any funds of the District legally available for such purpose, and all taxable property in the District is subject to the levy of taxes to pay the same without limitation as to rate, except that the rights of the owners of the 2026A Bonds and the enforceability of the 2026A Bonds may be limited by bankruptcy, insolvency, moratorium, reorganization and other similar laws affecting creditors’ rights and by equitable principles, whether considered at law or in equity, including the exercise of judicial discretion. The amount of said taxes that may be extended to pay the 2026A Bonds is limited as provided by law. See “THE BONDS—Security for the 2026A Bonds” herein.

In the opinion of Bond Counsel, the ULT Bonds are valid and legally binding upon the District and are payable from any funds of the District legally available for such purpose, and all taxable property in the District is subject to the levy of taxes to pay the same without limitation as to rate or amount, except that the rights of the owners of the ULT Bonds and the enforceability of the ULT Bonds may be limited by bankruptcy, insolvency, moratorium, reorganization and other similar laws affecting creditors’ rights and by equitable principles, whether considered at law or in equity, including the exercise of judicial discretion. See “THE BONDS—Security for the ULT Bonds” herein.

*The Bonds are offered when, as and if issued by the District and received by Stifel, Nicolaus & Company, Incorporated, St. Louis, Missouri (the “Underwriter”), subject to prior sale, to withdrawal or modification of the offer without notice, and to the approval of legality by Bond Counsel and certain other conditions. Chapman and Cutler LLP, Chicago, Illinois, will also act as Disclosure Counsel to the District. It is expected that beneficial interests in the Bonds will be available for delivery through the facilities of DTC on or about March 10, 2026.*

## STIFEL

The date of this Official Statement is February \_\_, 2026.

\* Preliminary, subject to change.

This Preliminary Official Statement and the information contained herein are subject to completion, amendment or other change without any notice. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

**Community Unit School District Number 139  
Randolph County, Illinois  
(Chester)**

**\$1,550,000\* GENERAL OBLIGATION LIMITED TAX SCHOOL BONDS, SERIES 2026A**

**MATURITIES, AMOUNTS, INTEREST RATES, YIELDS AND CUSIP NUMBERS\***

MATURITY (DECEMBER 1)	AMOUNT	INTEREST RATE	YIELD	CUSIP NUMBER** (752533)
2029	\$335,000	%	%	
2032	50,000	%	%	
2033	570,000	%	%	
2034	595,000	%	%	

**\$5,585,000\* GENERAL OBLIGATION SCHOOL BONDS, SERIES 2026B**

**MATURITIES, AMOUNTS, INTEREST RATES, YIELDS AND CUSIP NUMBERS\***

MATURITY (DECEMBER 1)	AMOUNT	INTEREST RATE	YIELD	CUSIP NUMBER** (752533)
2034	\$ 10,000	%	%	
2035	525,000	%	%	
2036	560,000	%	%	
2037	600,000	%	%	
2038	640,000	%	%	
2039	685,000	%	%	
2040	730,000	%	%	
2041	780,000	%	%	
2042	830,000	%	%	
2043	225,000	%	%	

**\$290,000\* TAXABLE GENERAL OBLIGATION REFUNDING SCHOOL BONDS, SERIES 2026C**

**MATURITY, AMOUNT, INTEREST RATE, YIELD AND CUSIP NUMBER\***

MATURITY (DECEMBER 1)	AMOUNT	INTEREST RATE	YIELD	CUSIP NUMBER** (752533)
2032	\$ 290,000	%	%	

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\* Preliminary, subject to change.

\*\* CUSIP data herein is provided by the CUSIP Global Services ("CGS"). CGS is managed on behalf of the American Bankers Association by FactSet Research Systems Inc. No representations are made as to the correctness of the CUSIP numbers. These CUSIP numbers are subject to change after the issuance of the Bonds.

No dealer, broker, salesman or other person has been authorized by the District or the Underwriter to give any information or to make any representations other than those contained in this Official Statement in connection with the offering described herein and if given or made, such other information or representations must not be relied upon as statements having been authorized by the District, the Underwriter or any other entity. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy any securities other than the Bonds, nor shall there be any offer to sell or solicitation of an offer to buy the Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. This Official Statement is submitted in connection with the sale of the securities described in it and may not be reproduced or used, in whole or in part, for any other purposes.

Unless otherwise indicated, the District is the source of all tables and statistical and financial information contained in this Official Statement. The information contained in this Official Statement concerning AG and the Bond Insurance Policy has been obtained from AG. The information contained in this Official Statement concerning DTC has been obtained from DTC. The other information set forth herein has been furnished by the District or from other sources believed to be reliable. The information and opinions expressed herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the District since the date of this Official Statement.

AG makes no representation regarding the Bonds or the advisability of investing in the Bonds. In addition, AG has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding AG supplied by AG and presented under the heading “BOND INSURANCE” and “APPENDIX D—Specimen Municipal Bond Insurance Policy”.

This Official Statement should be considered in its entirety and no one factor considered more or less important than any other by reason of its position in this Official Statement. Where statutes, reports or other documents are referred to herein, reference should be made to such statutes, reports or other documents for more complete information regarding the rights and obligations of parties thereto, facts and opinions contained therein and the subject matter thereof.

Any statements made in this Official Statement, including the Exhibits and Appendices, involving matters of opinion or estimates, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of such estimates will be realized. This Official Statement contains certain forward-looking statements and information that are based on the District’s beliefs as well as assumptions made by and information currently available to the District. Such statements are subject to certain risks, uncertainties and assumptions. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those anticipated, estimated or expected.

The Underwriter has provided the following sentence for inclusion in this Official Statement: The Underwriter has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

For purposes of compliance with Rule 15c2-12 of the Securities and Exchange Commission (the “Rule”), this document, as the same may be supplemented or corrected by the District from time-to-time, may be treated as an Official Statement with respect to the Bonds described herein and is “deemed final” by the District as of the date hereof (or of the date of any supplement or correction) except for the omission of certain information permitted to be omitted pursuant to the Rule.

**THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS OFFICIAL STATEMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.**

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## **EXHIBITS**

Exhibit A	—	Combined Statement of Revenues, Expenditures and Changes in Fund Balance, Fiscal Years Ended June 30, 2021-2025
Exhibit B	—	Budget, Fiscal Year Ending June 30, 2026
Exhibit C	—	General Fund Revenue Sources, Fiscal Years Ended June 30, 2021-2025

## **APPENDICES**

Appendix A	—	Audited Financial Statements of the District for the Fiscal Year Ended June 30, 2025
Appendix B	—	Proposed Forms of Opinions of Bond Counsel
Appendix C	—	Proposed Form of Continuing Disclosure Undertaking
Appendix D	—	Specimen Municipal Bond Insurance Policy

**COMMUNITY UNIT SCHOOL DISTRICT NUMBER 139  
RANDOLPH COUNTY, ILLINOIS  
(CHESTER)**

1940 Swanwick Street  
Chester, Illinois 62233

**Board of Education**

Debi Caraway  
*President*

Barb Coffey

Charles Fricke  
*Secretary*

James Krieg

Chad Ebers

Matt Davitz  
*Vice President/School Treasurer*

Shannon Wolff

**Administration**

Kimberly Briggs  
*Superintendent*

**Professional Services**

*Underwriter*  
Stifel, Nicolaus & Company, Incorporated  
St. Louis, Missouri

*Bond Counsel and Disclosure Counsel*  
Chapman and Cutler LLP  
Chicago, Illinois

*Bond Registrar, Paying Agent and Escrow Agent*  
UMB Bank, National Association  
Kansas City, Missouri

*Auditor*  
F.E.W. CPAs  
Columbia, Illinois

## OFFICIAL STATEMENT

### Community Unit School District Number 139

#### Randolph County, Illinois

#### (Chester)

**\$1,550,000\* General Obligation Limited Tax School Bonds, Series 2026A**

**\$5,585,000\* General Obligation School Bonds, Series 2026B**

**\$290,000\* Taxable General Obligation Refunding School Bonds, Series 2026C**

## INTRODUCTION

The purpose of this Official Statement is to set forth certain information concerning Community Unit School District Number 139, Randolph County, Illinois (the “*District*”), in connection with the offering and sale of its General Obligation Limited Tax School Bonds, Series 2026A (the “*2026A Bonds*”), General Obligation School Bonds, Series 2026B (the “*2026B Bonds*” and together with the 2026A Bonds, the “*Tax-Exempt Bonds*”), and Taxable General Obligation Refunding School Bonds, Series 2026C (the “*2026C Bonds*” and, together with the 2026B Bonds, the “*ULT Bonds*” and, together with the 2026B Bonds and the 2026A Bonds, the “*Bonds*”).

The District operates on a fiscal year which begins on July 1 of a calendar year and ends on June 30 of the subsequent calendar year. References in this Official Statement to “*Fiscal Year*” followed by a given year with respect to the District are a reference to the fiscal year ending on June 30th of such year (e.g. “*Fiscal Year 2025*” refers to the District’s fiscal year which began on July 1, 2024, and ended on June 30, 2025).

This Official Statement contains “forward-looking statements” that are based upon the District’s current expectations and its projections about future events. When used in this Official Statement, the words “project,” “estimate,” “intend,” “expect,” “scheduled,” “pro-forma” and similar words identify forward-looking statements. Forward-looking statements are subject to known and unknown risks, uncertainties and factors that are outside of the control of the District. Actual results could differ materially from those contemplated by the forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof. Neither the District nor any other party plans to issue any updates or revisions to these forward-looking statements based on future events.

## THE BONDS

### AUTHORITY AND PURPOSE

The Bonds are being issued pursuant to the School Code of the State of Illinois (the “*School Code*”), the Local Government Debt Reform Act of the State of Illinois (the “*Debt Reform Act*”), and all laws amendatory thereof and supplementary thereto, and a bond resolution for the

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\* Preliminary, subject to change.



2026A Bonds (the “*2026A Bond Resolution*”), and a bond resolution for the ULT Bonds (the “*ULT Bond Resolution*”), each adopted by the Board of Education of the District (the “*Board*”) on the 19th day of February, 2026 (together, the “*Bond Resolutions*”).

Proceeds of the 2026A Bonds will be used to (a) increase the working cash fund of the District (the “*Working Cash Fund*”), (b) pay certain interest on the 2026A Bonds and (c) pay costs associated with the issuance of the 2026A Bonds. Proceeds of the 2026B Bonds will be used to (a) construct fire prevention and life safety improvements to the existing school buildings of the District (the “*2026B Project*”), (b) refund the District’s outstanding General Obligation Limited Tax School Bonds, Series 2020 (the “*2020 Bonds*” or the “*2020 Refunded Bonds*”), (c) pay certain interest on the 2026B Bonds and (d) pay costs associated with the issuance of the 2026B Bonds. Proceeds of the 2026C Bonds will be used to (a) refund certain of the District’s outstanding General Obligation School Bonds, Series 2024A (the “*2024A Bonds*” and the Series 2024A Bonds being refunded, the “*2024A Refunded Bonds*”), (b) pay certain interest on the 2026C Bonds and (c) pay costs associated with the issuance of the 2026C Bonds. See “USE OF PROCEEDS” herein.

#### GENERAL DESCRIPTION

The Bonds will be dated the date of issuance thereof, will be in fully registered form, without coupons, and will be in denominations of \$5,000 or any integral multiple thereof under a book-entry only system operated by The Depository Trust Company, New York, New York (“*DTC*”). Principal of and interest on the Bonds will be payable by UMB Bank, National Association, Kansas City, Missouri (the “*Registrar*”).

The Bonds will mature as shown on the inside cover page hereof. Interest on the Bonds will be payable each June 1 and December 1, beginning June 1, 2026.

The Bonds will bear interest from their dated date, or from the most recent interest payment date to which interest has been paid or provided for, computed on the basis of a 360-day year consisting of twelve 30-day months. The principal of the Bonds will be payable in lawful money of the United States of America upon presentation and surrender thereof at the principal corporate trust office of the Registrar. Interest on each Bond will be paid by check or draft of the Registrar payable upon presentation in lawful money of the United States of America to the person in whose name such Bond is registered at the close of business on the record date, which is the 15th day of the month next preceding the interest payment date (the “*Record Date*”).

#### REGISTRATION AND TRANSFER

The Registrar will maintain books (the “*Register*”) for the registration of ownership and transfer of the Bonds. Subject to the provisions of the Bonds as they relate to book-entry form, any Bond may be transferred upon the surrender thereof at the principal corporate trust office of the Registrar, together with an assignment duly executed by the registered owner or his or her attorney in such form as will be satisfactory to the Registrar. No service charge shall be made for any transfer or exchange of Bonds, but the District or the Registrar may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with

any transfer or exchange of Bonds except in the case of the issuance of a 2026B Bond or 2026B Bonds for the unredeemed portion of a 2026B Bond surrendered for redemption.

The Registrar shall not be required to transfer or exchange any Bond during the period beginning at the close of business on the Record Date with respect to any interest payment date on such Bond and ending at the opening of business on such interest payment date, nor to transfer or exchange any 2026B Bond after notice calling such 2026B Bond for redemption has been mailed, nor during a period of fifteen (15) days next preceding mailing of a notice of redemption of any 2026B Bonds.

#### REDEMPTION

*Optional Redemption.* The 2026A Bonds and 2026C Bonds are not subject to optional redemption prior to maturity. The 2026B Bonds due on or after December 1, 2036\* are subject to redemption prior to maturity at the option of the District as a whole or in part in integral multiples of \$5,000 in any order of their maturity as determined by the District (less than all of the 2026B Bonds of a single maturity to be selected by the Registrar), on December 1, 2035,\* and on any date thereafter, at the redemption price of par plus accrued interest to the redemption date.

*Mandatory Sinking Fund Redemption.* The 2026\_\_ Bonds due on December 1 of the years 20\_\_ and 20\_\_ are subject to mandatory redemption, in integral multiples of \$5,000 selected by lot by the Registrar, at a redemption price of par plus accrued interest to the redemption date, on December 1 of the years and in the principal amounts as follows:

FOR THE 2026\_\_ BONDS DUE DECEMBER 1, 20\_\_

YEAR	PRINCIPAL AMOUNT
20__	\$
20__	(stated maturity)

FOR THE 2026\_\_ BONDS DUE DECEMBER 1, 20\_\_

YEAR	PRINCIPAL AMOUNT
20__	\$
20__	(stated maturity)

The principal amounts of 2026B Bonds to be mandatorily redeemed in each year may be reduced through the earlier optional redemption thereof, with any partial optional redemptions of such 2026B Bonds credited against future mandatory redemption requirements in such order of the mandatory redemption dates as the District may determine. In addition, on or prior to the 60th day preceding any mandatory redemption date, the Registrar may, and if directed by the District shall, purchase 2026\_\_ Bonds required to be retired on such mandatory redemption date.

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\* Preliminary, subject to change.

Any such 2026\_\_ Bonds so purchased shall be cancelled and the principal amount thereof shall be credited against the mandatory redemption required on such next mandatory redemption date.

*General.* The District will, at least 45 days prior to any optional redemption date (unless a shorter time period shall be satisfactory to the Registrar), notify the Registrar of such redemption date and of the principal amount and maturity or maturities of 2026B Bonds to be redeemed. For purposes of any redemption of less than all of the outstanding 2026\_\_ Bonds of a single maturity, the particular 2026\_\_ Bonds or portions of 2026\_\_ Bonds to be redeemed shall be selected by lot by the Registrar from the 2026\_\_ Bonds of such maturity by such method of lottery as the Registrar shall deem fair and appropriate (except when the 2026\_\_ Bonds are held in a book-entry system, in which case the selection of 2026\_\_ Bonds to be redeemed will be made in accordance with procedures established by DTC or any other book-entry depository); *provided* that such lottery shall provide for the selection for redemption of 2026\_\_ Bonds or portions thereof in principal amounts of \$5,000 and integral multiples thereof.

Unless waived by any holder of 2026\_\_ Bonds to be redeemed, notice of the call for any redemption will be given by the Registrar on behalf of the District by mailing the redemption notice by first-class mail at least 30 days and not more than 60 days prior to the date fixed for redemption to each registered owner of the 2026\_\_ Bonds to be redeemed at the address shown on the Register or at such other address as is furnished in writing by such registered owner to the Registrar.

Unless moneys sufficient to pay the redemption price of the 2026B Bonds to be redeemed at the option of the District are received by the Registrar prior to the giving of such notice of redemption, such notice may, at the option of the District, state that said redemption will be conditional upon the receipt of such moneys by the Registrar on or prior to the date fixed for redemption. If such moneys are not received, such notice will be of no force and effect, the District will not redeem such 2026B Bonds, and the Registrar will give notice, in the same manner in which the notice of redemption has been given, that such moneys were not so received and that such 2026B Bonds will not be redeemed. Otherwise, prior to any redemption date, the District will deposit with the Registrar an amount of money sufficient to pay the redemption price of all the 2026\_\_ Bonds or portions of 2026\_\_ Bonds which are to be redeemed on that date.

Subject to the provisions for a conditional redemption described above, notice of redemption having been given as described above and in the \_\_\_\_ Bond Resolution, and notwithstanding failure to receive such notice, the 2026\_\_ Bonds or portions of 2026\_\_ Bonds so to be redeemed will, on the redemption date, become due and payable at the redemption price therein specified, and from and after such date (unless the District shall default in the payment of the redemption price) such 2026\_\_ Bonds or portions of 2026\_\_ Bonds shall cease to bear interest. Upon surrender of such 2026\_\_ Bonds for redemption in accordance with said notice, such 2026\_\_ Bonds will be paid by the Registrar at the redemption price.

#### SECURITY FOR THE 2026A BONDS

The 2026A Bonds, in the opinion of Chapman and Cutler LLP, Chicago, Illinois, Bond Counsel ("*Bond Counsel*"), are valid and legally binding upon the District and are payable from

any funds of the District legally available for such purpose, and all taxable property in the District is subject to the levy of taxes to pay the same without limitation as to rate, except that the rights of the owners of the 2026A Bonds and the enforceability of the 2026A Bonds may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights and by equitable principles, whether considered at law or in equity, including the exercise of judicial discretion. The amount of said taxes that will be extended to pay the 2026A Bonds is limited pursuant to the Property Tax Extension Limitation Law of the State of Illinois, as amended (the "*Limitation Law*").

The Debt Reform Act provides that the 2026A Bonds are payable from the debt service extension base of the District (the "*Base*"), which is an amount equal to that portion of the extension for the District for the 1996 levy year constituting an extension for payment of principal of and interest on bonds issued by the District without referendum, but not including alternate bonds issued under Section 15 of the Debt Reform Act or refunding obligations issued to refund or to continue to refund obligations of the District initially issued pursuant to referendum, increased each year, commencing with the 2009 levy year, by the lesser of 5% or the percentage increase in the Consumer Price Index (as defined in the Limitation Law, the "*CPI*") during the 12-month calendar year preceding the levy year. The Limitation Law further provides that the annual amount of taxes to be extended to pay the 2026A Bonds and all other limited bonds heretofore and hereafter issued by the District shall not exceed the Base.

At closing, the 2026A Bonds will constitute one of two series of limited bonds of the District that are payable from the Base. Payments on the 2026A Bonds from the Base will be made on a parity with the payments on the District's General Obligation Limited Tax Refunding School Bonds, Series 2022B (the "*2022B Bonds*"). The District is authorized to issue from time to time additional limited bonds payable from the Base, as permitted by law, and to determine the lien priority of payments to be made from the Base to pay the District's limited bonds.

The amount of the Base for levy year 2025 has been determined to be \$918,027.29 and the amount of the Base for levy year 2026 has been determined to be \$942,814.02, which are calculated from an original Base of \$630,691.66 as increased annually by CPI as described above.

The following chart shows the Base of the District, the debt service payable on the 2022B Bonds and the 2026A Bonds (collectively, the "*Limited Bonds*"), and the available Base after the issuance of the 2026A Bonds.

## DEBT SERVICE EXTENSION BASE AVAILABILITY AFTER ISSUANCE OF THE 2026A BONDS

LEVY YEAR	DEBT SERVICE ON THE 2022B BONDS	PLUS: DEBT SERVICE ON THE 2026A BONDS <sup>(1)</sup>	TOTAL DEBT SERVICE ON LIMITED BONDS <sup>(1)</sup>	DEBT SERVICE EXTENSION BASE	UNUSED DEBT SERVICE EXTENSION BASE <sup>(1)</sup>
2025	\$289,850	\$ 77,500	\$367,350	\$918,027	\$550,677
2026	286,975	77,500	364,475	942,814	578,339
2027	451,400	77,500	528,900	942,814	413,914
2028	162,400	404,125	566,525	942,814	376,289
2029		60,750	60,750	942,814	882,064
2030		60,750	60,750	942,814	882,064
2031		109,500	109,500	942,814	833,314
2032		614,000	614,000	942,814	328,814
2033		609,875	609,875	942,814	332,939

(1) Preliminary, subject to change.

The 2026A Bond Resolution provides for the levy of ad valorem taxes, unlimited as to rate, upon all taxable property within the District in amounts to pay, as and when due, all principal of and interest on the 2026A Bonds to the amount of the Base, except for the interest due on June 1, 2026, which will be paid from proceeds of the 2026A Bonds. The 2026A Bond Resolution will be filed with the County Clerk of Randolph County, Illinois (the “*County Clerk*”) and will serve as authorization to the County Clerk to extend and collect the property taxes as set forth in the 2026A Bond Resolution.

Reference is made to APPENDIX B-1 for the proposed form of opinion of Bond Counsel for the 2026A Bonds.

## SECURITY FOR THE ULT BONDS

The ULT Bonds, in the opinion of Bond Counsel, are valid and legally binding upon the District and are payable from any funds of the District legally available for such purpose, and all taxable property in the District is subject to the levy of taxes to pay the same without limitation as to rate or amount, except that the rights of the owners of the ULT Bonds and the enforceability of the ULT Bonds may be limited by bankruptcy, insolvency, moratorium, reorganization and other similar laws affecting creditors’ rights and by equitable principles, whether considered at law or in equity, including the exercise of judicial discretion.

Pursuant to Public Act 103-0591, effective July 1, 2024, levies to pay school fire and prevention bonds or levies to pay school fire and prevention bonds issued to refund or continue to refund those bonds, such as the ULT Bonds, are excepted from the Limitation Law. See “REAL PROPERTY ASSESSMENT, TAX LEVY AND COLLECTION PROCEDURES—Property Tax Extension Limitation Law” herein for more information. The 2020 Refunded Bonds were issued for school fire prevention and safety purposes. The ULT Bond Resolution provides for the levy of ad valorem taxes, unlimited as to rate or amount, upon all taxable property within the District in amounts sufficient to pay, as and when due, all principal of and interest on the ULT Bonds, except for the interest due on the ULT Bonds on June 1, 2026, which will be paid from proceeds of the ULT Bonds. The ULT Bond Resolution will be filed with the County Clerk and will serve as

authorization to the County Clerk to extend and collect the property taxes as set forth in the ULT Bond Resolution.

Reference is made to Appendices B-2 and B-3 for the proposed forms of opinions of Bond Counsel for the ULT Bonds.

### USE OF PROCEEDS

#### THE PROJECTS

After proper abatement and transfer from the Working Cash Fund, proceeds of the 2026A Bonds will be used to update the football field concession stand with the addition of bathrooms and for track replacement (the “2026A Project”). The District expects to complete the 2026A Project by summer 2027. Proceeds of the 2026A Bonds will also be used to pay interest due on the 2026A Bonds on June 1, 2026.

Proceeds of the 2026B Bonds will be used to pay for the 2026B Project (and, together with the 2026A Project, the “*Projects*”). The 2026B Project includes renovating and modernizing the high school HVAC system, including decommissioning and removal of existing boilers. The District expects to complete the 2026B Project by summer 2026. Proceeds of the 2026B Bonds will also be used to pay interest due on the 2026B Bonds on June 1, 2026.

#### THE REFUNDING

Proceeds of the 2026B Bonds will also be used to refund the 2020 Refunded Bonds for debt restructuring purposes. The 2020 Refunded Bonds are further described as follows:

#### THE 2020 BONDS

MATURITY (DECEMBER 1)	ORIGINAL AMOUNT ISSUED	AMOUNT REFUNDED BY THE 2026B BONDS*	CALL PRICE	CALL DATE*
2026	\$ 425,000	\$400,000	100.00%	March 27, 2026
2027	440,000	260,000	100.00%	March 27, 2026
2028	<u>285,000</u>	<u>255,000</u>	100.00%	March 27, 2026
TOTAL	\$1,150,000	\$915,000		

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\* Preliminary, subject to change.

Proceeds of the 2026C Bonds will be used to refund the 2024A Refunded Bonds (together with the 2020 Refunded Bonds, the “*Refunded Bonds*”) for debt restructuring purposes. The 2024A Refunded Bonds are further described as follows:

### THE 2024A BONDS

MATURITY (DECEMBER 1)	ORIGINAL AMOUNT ISSUED	AMOUNT REFUNDED BY THE 2026C BONDS*	CALL PRICE	CALL DATE
2026	\$ 135,000	\$ 0	NA	NA
2030	655,000	125,000	NA	Not Callable
2031	700,000	135,000	NA	Not Callable
2032	<u>190,000</u>	<u>0</u>	NA	NA
TOTAL	\$1,680,000	\$260,000		

\* Preliminary, subject to change.

Certain proceeds received from the sale of the 2026B Bonds will be deposited with the paying agent for the 2020 Refunded Bonds, namely, UMB Bank, National Association, Kansas City, Missouri (“*UMB Bank*”). The moneys so deposited with UMB Bank will be held in cash, uninvested (the “*Cash Deposit*”). The Cash Deposit will be sufficient to pay the principal of and interest on the 2020 Refunded Bonds upon redemption prior to maturity.

Certain proceeds received from the sale of the 2026C Bonds will be deposited in an Escrow Account (the “*Escrow Account*”) to be held by UMB Bank (the “*Escrow Agent*”), under the terms of an Escrow Agreement, dated as of the date of issuance of the 2026C Bonds, between the District and the Escrow Agent. The moneys so deposited in the Escrow Account will be applied by the Escrow Agent to purchase direct non-callable obligations of, or obligations guaranteed by the full faith and credit of, the United States of America (the “*Government Securities*”) and to provide an initial cash deposit. The Government Securities together with interest earnings thereon and the initial cash deposit will be sufficient to pay when due the principal of and interest on the 2024A Refunded Bonds up to and including the maturity dates thereof.

### VERIFICATION

The accuracy of the mathematical computations regarding the adequacy of the maturing principal of and interest earnings on the Government Securities together with the initial cash deposit in the Escrow Account to pay the debt service described above on the 2024A Refunded Bonds will be verified by Robert Thomas CPA, LLC, Overland Park, Kansas. Such verification shall be based upon information supplied by the hereinafter defined Underwriter.

## SOURCES AND USES

The sources and uses of funds resulting from the Bonds are shown below:

SOURCES:	2026A BONDS	2026B BONDS	2026C BONDS
Principal Amount	\$	\$	\$
[Net] Original Issue Premium [Discount]	<hr/>	<hr/>	<hr/>
Total Sources	\$	\$	\$
USES:			
Deposit to Working Cash Fund	\$	\$	\$
Costs of the 2026B Project			
Deposit with the Prior Paying Agent			
Deposit with the Escrow Agent			
Pay Interest on the Bonds			
Costs of Issuance*	<hr/>	<hr/>	<hr/>
Total Uses	\$	\$	\$

\* Includes underwriter's discount, bond insurance premium and other issuance costs.

## RISK FACTORS

The purchase of the Bonds involves certain investment risks. Accordingly, each prospective purchaser of the Bonds should make an independent evaluation of the entirety of the information presented in this Official Statement and its appendices and exhibits in order to make an informed investment decision. Certain of the investment risks are described below. The following statements, however, should not be considered a complete description of all risks to be considered in the decision to purchase the Bonds, nor should the order of the presentation of such risks be construed to reflect the relative importance of the various risks. There can be no assurance that other risk factors are not material or will not become material in the future.

### CONSTRUCTION RISKS

There are potential risks that could affect the ability of the District to timely complete the Projects. While preliminary costs have been projected by the District's consulting architects, not all of the construction contracts have been let by the District. No assurance can be given that the cost of completing the Projects will not exceed available funds.

Completion of the Projects involves many risks common to construction projects such as shortages or delays in the availability of materials and labor, work stoppages, labor disputes, contractual disputes with contractors or suppliers, weather interferences, construction accidents, delays in obtaining legal approvals, unforeseen engineering, archeological or environmental problems and unanticipated cost increases, any of which could give rise to significant delays or cost overruns.



## FINANCES OF THE STATE OF ILLINOIS

State funding sources constituted 48.69% of the District's combined Educational Fund and Operations and Maintenance Fund (the "*General Fund*") revenue sources for Fiscal Year 2025. While the finances of the State of Illinois (the "*State*") have significantly improved in recent years, the State continues to deal with a severe underfunding of its pension systems, which, based on the comprehensive annual financial reports of the State's five retirement systems, have a combined unfunded pension liability of approximately \$140 billion and a combined funded ratio of approximately 45%. Also, despite nine credit rating upgrades since June 2021, the State's long-term general obligation bonds carry the lowest ratings of all states.

## FEDERAL REVENUES

Illinois school districts receive direct and indirect funding from various federal programs, such as Title I, the Individuals with Disabilities Education Act, and nutrition programs such as the National School Lunch and Breakfast Programs. These programs are subject to the priorities and policies of the federal government, which may change significantly from one administration to another, and such programs may be modified through executive action or through legislation enacted by the Congress of the United States ("*Congress*"). Under the current administration, the federal government has taken executive actions to reduce the size and scope of the U.S. Department of Education, to terminate or restrict certain programs and services for students with disabilities, low-income students, and students from diverse backgrounds, and to impose new conditions and requirements for federal funding. These actions may impact the availability and amount of federal revenues received by Illinois school districts, such as the District. A reduction or interruption in federal funding, or an increase in compliance costs, could adversely affect the District's financial condition and operations. The District makes no prediction as to the effect of these actions on the District's federal revenues, which constituted 18.56% of the District's General Fund revenue sources for Fiscal Year 2025, or the District's ability to comply with federal laws and regulations in the future.

## CONCENTRATION OF TAXPAYERS

Based on the District's 2024 equalized assessed valuation ("*EAV*"), the District's ten largest taxpayers own 13.39% of the total current EAV of taxable property in the District. See "FINANCIAL INFORMATION AND ECONOMIC CHARACTERISTICS OF THE DISTRICT—Ten Largest Taxpayers" herein for more information. If one or more of these taxpayers were to relocate from the District or cease operations, would be unable to pay its tax bills or was successful in challenging its assessed valuation, the timely receipt of tax dollars by the District could be affected. The District has the authority to levy deficiency taxes if debt service tax collections are inadequate. Notwithstanding, the value of the Bonds, the District's ability to repay the Bonds or the timing of repayment could be adversely affected.

Furthermore, if any of the largest taxpayers were to relocate or cease operations, the District could experience a significant reduction in EAV. Any reduction in EAV could limit the amount of taxes that the District can extend for operating purposes.

## LOCAL ECONOMY

The financial health of the District is in part dependent on the strength of the local economy. Many factors affect the local economy, including rates of employment and economic growth and the level of residential and commercial development. It is not possible to predict to what extent any changes in economic conditions, demographic characteristics, population or commercial and industrial activity will occur and what impact such changes would have on the finances of the District.

## LOSS OR CHANGE OF BOND RATINGS

The Bonds have received an underlying credit rating from S&P (as defined herein) and are expected to receive an insured credit rating from S&P. The ratings can be changed or withdrawn at any time for reasons both under and outside the District's control. Any change, withdrawal or combination thereof could adversely affect the ability of investors to sell the Bonds or may affect the price at which they can be sold.

## SECONDARY MARKET FOR THE BONDS

No assurance can be given that a secondary market will develop for the purchase and sale of the Bonds or, if a secondary market exists, that such Bonds can be sold for any particular price. The Underwriter is not obligated to engage in secondary market trading or to repurchase any of the Bonds at the request of the owners thereof.

Prices of the Bonds as traded in the secondary market are subject to adjustment upward and downward in response to changes in the credit markets and other prevailing circumstances. No guarantee exists as to the future market value of the Bonds. Such market value could be substantially different from the original purchase price.

## CONTINUING DISCLOSURE

A failure by the District to comply with the Undertaking (as defined herein) for continuing disclosure (see "CONTINUING DISCLOSURE" herein) will not constitute an event of default on the Bonds. Any such failure must be reported in accordance with Rule 15c2-12 (the "*Rule*") adopted by the SEC (as defined herein) under the Securities Exchange Act of 1934, as amended (the "*Exchange Act*"), and may adversely affect the transferability and liquidity of the Bonds and their market price.

## SUITABILITY OF INVESTMENT

The interest rates borne by the Bonds are intended to compensate the investor for assuming the risk of investing in the Bonds. Furthermore, the tax-exempt feature of the Tax-Exempt Bonds is currently more valuable to high tax bracket investors than to investors that are in low tax brackets. As such, the value of the interest compensation to any particular investor will vary with individual tax rates and circumstances. Each prospective investor should carefully examine this

Official Statement and its own financial condition to make a judgment as to its ability to bear the economic risk of such an investment, and whether or not the Bonds are an appropriate investment for such investor.

#### FUTURE CHANGES IN LAWS

Various state and federal laws, regulations and constitutional provisions apply to the District and to the Bonds. The District can give no assurance that there will not be a change in, interpretation of, or addition to such applicable laws, provisions and regulations which would have a material effect, either directly or indirectly, on the District, or the taxing authority of the District. For example, many elements of local government finance, including the issuance of debt and the levy of property taxes, are controlled by State government. Future actions of the State may affect the overall financial conditions of the District, the taxable value of property within the District, and the ability of the District to levy property taxes or collect revenues for its ongoing operations.

#### FACTORS RELATING TO TAX EXEMPTION

As discussed under “TAX MATTERS” herein, interest on the Tax-Exempt Bonds could become includible in gross income for purposes of federal income taxation, retroactive to the date the Tax-Exempt Bonds were issued, as a result of future acts or omissions of the District in violation of its covenants in the Bond Resolutions. Should such an event of taxability occur, the Tax-Exempt Bonds are not subject to any special redemption.

There are or may be pending in Congress legislative proposals relating to the federal tax treatment of interest on the Tax-Exempt Bonds, including some that carry retroactive effective dates, that, if enacted, could affect the market value of the Tax-Exempt Bonds. It cannot be predicted whether or in what form any such proposal might be enacted or whether, if enacted, it would apply to bonds issued prior to enactment. Finally, reduction or elimination of the tax-exempt status of obligations such as the Tax-Exempt Bonds could have an adverse effect on the District’s ability to access the capital markets to finance future capital or operational needs by reducing market demand for such obligations or materially increasing borrowing costs of the District.

The tax-exempt bond office of the Internal Revenue Service (the “*Service*”) is conducting audits of tax-exempt bonds, both compliance checks and full audits, with increasing frequency to determine whether, in the view of the Service, interest on such tax-exempt obligations is includible in the gross income of the owners thereof for federal income tax purposes. It cannot be predicted whether the Service will commence any such audit. If an audit is commenced, under current procedures the Service may treat the District as a taxpayer and the Tax-Exempt Bondholders may have no right to participate in such proceeding. The commencement of an audit with respect to any tax-exempt obligations of the District could adversely affect the market value and liquidity of the Tax-Exempt Bonds, regardless of the ultimate outcome.

## CYBERSECURITY

Computer networks and data transmission and collection are vital to the efficient operation of the District. Despite the implementation of network security measures by the District, its information technology and infrastructure may be vulnerable to deliberate attacks by hackers, malware, ransomware or computer virus, or may otherwise be breached due to employee error, malfeasance or other disruptions. Any such breach could compromise networks and the information stored thereon could be disrupted, accessed, publicly disclosed, lost or stolen. Although the District does not believe that its information technology systems are at a materially greater risk of cybersecurity attacks than other similarly-situated governmental entities, any such disruption, access, disclosure or other loss of information could have an adverse effect on the District's operations and financial health. Further, as cybersecurity threats continue to evolve, the District may be required to expend significant additional resources to continue to modify and strengthen security measures, investigate and remediate any vulnerabilities, or invest in new technology designed to mitigate security risks.

## BANKRUPTCY

The rights and remedies of the Bondholders may be limited by and are subject to the provisions of federal bankruptcy laws, to other laws or equitable principles that may affect the enforcement of creditors' rights, to the exercise of judicial discretion in appropriate cases and to limitations on legal remedies against local governments. The various opinions of counsel to be delivered with respect to the Bonds will be similarly qualified.

## BOND INSURANCE

### BOND INSURANCE POLICY

Concurrently with the issuance of the Bonds, Assured Guaranty Inc. ("AG") will issue its Municipal Bond Insurance Policy (the "*Policy*") for the Bonds. The Policy guarantees the scheduled payment of principal of and interest on the Bonds when due as set forth in the form of the Policy included as an appendix to this Official Statement.

The Policy is not covered by any insurance security or guaranty fund established under New York, Maryland, California, Connecticut or Florida insurance law.

### ASSURED GUARANTY INC.

AG is a Maryland domiciled financial guaranty insurance company and an indirect subsidiary of Assured Guaranty Ltd. ("AGL" and together with its subsidiaries, "*Assured Guaranty*"), a Bermuda-based holding company whose shares are publicly traded and are listed on the New York Stock Exchange under the symbol "AGO." AGL, through its subsidiaries, provides credit enhancement products to the U.S. and non-U.S. public finance (including infrastructure) and structured finance markets and participates in the asset management business through ownership interests in Sound Point Capital Management, LP and certain of its investment

management affiliates. Only AG is obligated to pay claims under the insurance policies AG has issued, and not AGL or any of its shareholders or other affiliates.

AG's financial strength is rated "AA" (stable outlook) by S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC ("*S&P*"), "AA+" (stable outlook) by Kroll Bond Rating Agency, Inc. ("*KBRA*") and "A1" (stable outlook) by Moody's Investors Service, Inc. ("*Moody's*"). Each rating of AG should be evaluated independently. An explanation of the significance of the above ratings may be obtained from the applicable rating agency. The above ratings are not recommendations to buy, sell or hold any security, and such ratings are subject to revision or withdrawal at any time by the rating agencies, including withdrawal initiated at the request of AG in its sole discretion. In addition, the rating agencies may at any time change AG's long-term rating outlooks or place such ratings on a watch list for possible downgrade in the near term. Any downward revision or withdrawal of any of the above ratings, the assignment of a negative outlook to such ratings or the placement of such ratings on a negative watch list may have an adverse effect on the market price of any security guaranteed by AG. AG only guarantees scheduled principal and scheduled interest payments payable by the issuer of bonds insured by AG on the date(s) when such amounts were initially scheduled to become due and payable (subject to and in accordance with the terms of the relevant insurance policy), and does not guarantee the market price or liquidity of the securities it insures, nor does it guarantee that the ratings on such securities will not be revised or withdrawn.

#### *Merger of Assured Guaranty Municipal Corp. Into Assured Guaranty Inc.*

On August 1, 2024, Assured Guaranty Municipal Corp., a New York domiciled financial guaranty insurance company and an affiliate of AG ("*AGM*"), merged with and into AG, with AG as the surviving company (such transaction, the "*Merger*"). Upon the Merger, all liabilities of AGM, including insurance policies issued or assumed by AGM, became obligations of AG.

#### *Current Financial Strength Ratings*

On August 4, 2025, KBRA announced it had affirmed AG's insurance financial strength rating of "AA+" (stable outlook).

On June 30, 2025, S&P announced it had affirmed AG's financial strength rating of "AA" (stable outlook). On August 1, 2024, S&P stated that following the Merger, there is no change in AG's financial strength rating of "AA" (stable outlook).

On July 10, 2024, Moody's, following Assured Guaranty's announcement of the Merger, announced that it had affirmed AG's insurance financial strength rating of "A1" (stable outlook).

AG can give no assurance as to any further ratings action that S&P, Moody's and/or KBRA may take. For more information regarding AG's financial strength ratings and the risks relating thereto, see AGL's Annual Report on Form 10-K for the fiscal year ended December 31, 2024.

## *Capitalization of AG*

At September 30, 2025:

- The policyholders' surplus of AG was approximately \$3,268 million.
- The contingency reserve of AG was approximately \$1,481 million.
- The net unearned premium reserves and net deferred ceding commission income of AG and its subsidiaries (as described below) were approximately \$2,431 million. Such amount includes (i) 100% of the net unearned premium reserve and net deferred ceding commission income of AG, and (ii) the net unearned premium reserves and net deferred ceding commissions of AG's wholly owned subsidiary Assured Guaranty UK Limited ("*AGUK*"), and its 99.9999% owned subsidiary Assured Guaranty (Europe) SA ("*AGE*").

The policyholders' surplus, contingency reserve, and net unearned premium reserves and net deferred ceding commission income of AG were determined in accordance with statutory accounting principles. The net unearned premium reserves and net deferred ceding commissions of AGUK and AGE were determined in accordance with accounting principles generally accepted in the United States of America.

## *Incorporation of Certain Documents by Reference*

Portions of the following documents filed by AGL with the Securities and Exchange Commission (the "*SEC*") that relate to AG are incorporated by reference into this Official Statement and shall be deemed to be a part hereof:

- (i) the Annual Report on Form 10-K for the fiscal year ended December 31, 2024 (filed by AGL with the SEC on February 28, 2025);
- (ii) the Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2025 (filed by AGL with the SEC on May 9, 2025);
- (iii) the Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2025 (filed by AGL with the SEC on August 8, 2025); and
- (iv) the Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2025 (filed by AGL with the SEC on November 7, 2025).

All information relating to AG included in, or as exhibits to, documents filed by AGL with the SEC pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, excluding Current Reports or portions thereof "furnished" under Item 2.02 or Item 7.01 of Form 8-K, after the filing of the last document referred to above and before the termination of the offering of the Bonds shall be deemed incorporated by reference into this Official Statement and to be a part hereof from the respective dates of filing such documents. Copies of materials

incorporated by reference are available over the internet at the SEC's website at <http://www.sec.gov>, at AGL's website at <http://www.assuredguaranty.com>, or will be provided upon request to Assured Guaranty Inc.: 1633 Broadway, New York, New York 10019, Attention: Communications Department (telephone (212) 974-0100). Except for the information referred to above, no information available on or through AGL's website shall be deemed to be part of or incorporated in this Official Statement.

Any information regarding AG included herein under the caption "BOND INSURANCE—Assured Guaranty Inc." or included in a document incorporated by reference herein (collectively, the "*AG Information*") shall be modified or superseded to the extent that any subsequently included AG Information (either directly or through incorporation by reference) modifies or supersedes such previously included AG Information. Any AG Information so modified or superseded shall not constitute a part of this Official Statement, except as so modified or superseded.

### *Miscellaneous Matters*

AG makes no representation regarding the Bonds or the advisability of investing in the Bonds. In addition, AG has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding AG supplied by AG and presented under the heading "BOND INSURANCE".

## **THE DISTRICT**

### **GENERAL DESCRIPTION**

The District is located in the southern portion of The County of Randolph (the "*County*") in the southwestern part of the State and is approximately 65 miles south of St. Louis, and 35 miles northwest of Carbondale. The District encompasses approximately 121 square miles. The District encompasses the City of Chester (the "*City*") (comprising 52.60% of the District's 2024 EAV), as well as the small municipalities of Ellis Grove, Kaskaskia and Rockwood and unincorporated areas (44.35% of the District's 2024 EAV).

Agriculture has always been the backbone of the local economy. The rich soil of the Mississippi River Bottoms enriched by frequent flooding supports the local farming community. The City's location on the Mississippi River with the 9-foot depth and ice-free capacity to export grain has long generated employment for the City's residents. Grain loading facilities located along the Kaskaskia River and upper reaches of the Mississippi River all flow past the Chester Riverfront. This provides opportunities for barge and fleeting services, grain storage and stopover points for boat crews and stocking of food, fuel and maintenance supplies. One further benefit to the City is the availability of limestone in the bluffs along the river. This product is used in the agricultural process to increase the productivity of the soil.

Menard Correctional Center (the “*Facility*”), known prior to 1970 as Southern Illinois Penitentiary, is located in the City. It is a State prison which houses maximum-security and medium-security adult male inmates. The Facility opened on the banks of the Mississippi in March 1878 and is the second oldest prison in the State. The current operational capacity of the Facility is 2,389 and the approximate current population at the Facility is 1,925. The Facility changes elevation over 200 feet and includes more than 2,600 acres with 41 acres enclosed by perimeter. The Facility is currently comprised of 155 buildings totaling 1,294,000 square feet. The Facility includes five-housing units, a receiving and orientation unit, segregation unit and a health care unit. Also included is the Menard medium-security unit. Currently, the Facility employs approximately 867 employees.

Recreational opportunities in the City include Cole Memorial Park, Fort Kaskaskia State Historical Site, Randolph State Fish and Wildlife Area, Chester Riverfront, Cohen Recreation Complex and the Chester Country Club. District residents are served by the Chester Public Library.

Higher education is offered at Southwestern Illinois Community College District No. 522 (“*SWIC 522*”), Southern Illinois University-Edwardsville, McKendree University and Southern Illinois University-Carbondale, as well as various colleges and universities in St. Louis.

The transportation network within the District includes Illinois Routes 3 and 150. Air service is available at MidAmerica St. Louis Airport in Mascoutah, Illinois, and Lambert-St. Louis International Airport in St. Louis.

The District is connected to Missouri by the Chester Bridge which connects the City to Perryville, Missouri and constitutes the only bridge crossing of the Mississippi River between St. Louis and Cape Girardeau. The Chester Bridge is being replaced with a new bridge, the Don Welge Memorial Bridge, (the “*Welge Bridge*”) which is currently expected to be complete by the end of calendar year 2026. The Welge Bridge will be twice as wide as the existing Chester Bridge, which is currently two-11-foot lanes without shoulders. The District expects that the construction of the Welge Bridge will allow for greater economic activity in the region.

The District is governed by an elected seven-member Board and a full-time administrative staff.



## DISTRICT ADMINISTRATION

The day-to-day affairs of the District are conducted by a full-time staff including the following central administrative position.

OFFICIAL	TITLE	YEAR STARTED IN POSITION
Kimberly Briggs	Superintendent	2022

The Board appoints the administration. The staff is chosen by the administration with the approval of the Board. In general, policy decisions are made by the Board while specific program decisions are made by the administration.

## BOARD OF EDUCATION

OFFICIAL	POSITION	TERM EXPIRES
Debi Caraway	President	April 2027
Matt Davitz <sup>(1)</sup>	Vice President	April 2029
Charles Fricke	Secretary	April 2027
Barb Coffey	Member	April 2027
James Krieg	Member	April 2027
Chad Ebers	Member	April 2029
Shannon Wolff	Member	April 2029

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(1) Mr. Davitz also serves as the District's School Treasurer.

## ENROLLMENT

HISTORICAL		PROJECTED	
2021/2022	930	2026/2027	990
2022/2023	958	2027/2028	990
2023/2024	982	2028/2029	990
2024/2025	971	2029/2030	990
2025/2026	953	2030/2031	990

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Source: The District.

## DISTRICT FACILITIES

The District provides an educational program for grades Pre-K through 12. Students are housed in three facilities as follows:

SCHOOL	CURRENT GRADE CONFIGURATION	NUMBER OF STUDENTS (APPROX.)	YEAR CONSTRUCTED	RENOVATIONS/ ADDITIONS
Chester Early Childhood Center <sup>(1)</sup>	Pre-K	90	2025	2025
Chester Grade School	K-8	558	1953	1964, 1988, 1996, 2004, 2023
Chester High School	9-12	318	1925	1961, 2005, 2015, 2022, 2023, 2024

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Source: The District.

(1) The District used a portion of the proceeds of the General Obligation School Bonds (Alternate Revenue Source), Series 2024B (the “2024B Bonds”), to renovate the Chester Clinic Building into an early childhood center to expand the District’s Pre-K program classrooms.

## EMPLOYEE UNION MEMBERSHIP AND RELATIONS

At the start of the 2025-2026 school year, the District had 147 full-time employees and 3 part-time employees. Of the total number of employees, approximately 81 are represented by a union. Employee-union relations are considered to be good. District personnel are organized as follows:

EMPLOYEE GROUP	CONTRACT EXPIRES	UNION AFFILIATION	NUMBER OF MEMBERS
Teachers	June 2026	IEA	63
Paraprofessionals	June 2027	IEA	18

## POPULATION DATA

According to the 2019-2023 American Community Survey 5-Year Estimates (released by the U.S. Census Bureau December 12, 2024), the estimated population of the District is 9,058. The estimated populations of the City, the County and the State at the times of the last three U.S. Census surveys were as follows:

NAME OF ENTITY	2000	2010	2020	% CHANGE 2010/2020
The City	8,378	8,586	6,814	-20.64%
The County	33,893	33,476	30,163	-9.90%
The State	12,419,293	12,830,632	12,812,508	-0.14%

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Source: U.S. Census Bureau, Decennial Census for 2000, 2010 and 2020, respectively.

## FINANCIAL INFORMATION AND ECONOMIC CHARACTERISTICS OF THE DISTRICT

### DIRECT GENERAL OBLIGATION BONDS (PRINCIPAL ONLY)\*

CALENDAR YEAR	THE 2020 BONDS (DEC. 1)	THE 2022B BONDS (DEC. 1)	THE 2024A BONDS (DEC. 1)	LESS: THE REFUNDED BONDS <sup>(1)</sup> (DEC. 1)	PLUS: THE 2026A BONDS <sup>(1)</sup> (DEC. 1)	PLUS: THE 2026B BONDS <sup>(1)</sup> (DEC. 1)	PLUS: THE 2026C BONDS <sup>(1)</sup> (DEC. 1)	TOTAL OUTSTANDING BONDS <sup>(1)</sup>
2026	\$ 425,000	\$ 260,000	\$135,000	\$ 400,000				\$ 420,000
2027	440,000	265,000		260,000				445,000
2028	285,000	440,000		255,000				470,000
2029		160,000			\$ 335,000			495,000
2030			655,000	125,000				530,000
2031			700,000	135,000				565,000
2032			190,000		50,000		\$290,000	530,000
2033					570,000			570,000
2034					595,000	\$ 10,000		605,000
2035						525,000		525,000
2036						560,000		560,000
2037						600,000		600,000
2038						640,000		640,000
2039						685,000		685,000
2040						730,000		730,000
2041						780,000		780,000
						830,000		830,000
2042						225,000		225,000
TOTAL	\$1,150,000	\$1,125,000	\$1,680,000	\$1,175,000	\$1,550,000	\$5,585,000	\$290,000	\$10,205,000

\* Does not include alternate revenue bonds, such as the Alternate Bonds (as hereinafter defined), which, under the Debt Reform Act, are not included in the computation of indebtedness of the District unless the taxes levied to pay the principal of and interest on the Alternate Bonds are extended for collection by the County Clerk.

(1) Preliminary, subject to change.

# ALTERNATE REVENUE BONDS (PRINCIPAL ONLY)

CALENDAR YEAR	SERIES 2022C BONDS <sup>(1)</sup> (DEC. 1)	THE 2024B BONDS (DEC. 1)	TOTAL OUTSTANDING ALTERNATE BONDS
2026	\$ 145,000	\$ 135,000	\$ 280,000
2027	150,000	140,000	290,000
2028	155,000	145,000	300,000
2029	160,000	150,000	310,000
2030	160,000	165,000	325,000
2031	170,000 <sup>(2)</sup>	170,000	340,000
2032	175,000 <sup>(2)</sup>	180,000	355,000
2033	180,000	185,000	365,000
2034	185,000 <sup>(2)</sup>	200,000 <sup>(2)</sup>	385,000
2035	195,000	205,000 <sup>(2)</sup>	400,000
2036		420,000	420,000
2037		440,000 <sup>(2)</sup>	440,000
2038		465,000	465,000
2039		485,000 <sup>(2)</sup>	485,000
2040		505,000	505,000
2041		525,000 <sup>(2)</sup>	525,000
2042		545,000	545,000
2043		570,000 <sup>(2)</sup>	570,000
2044		<u>595,000</u>	<u>595,000</u>
TOTAL	\$1,675,000	\$6,225,000	\$7,900,000

Note: These bonds are payable from the proceeds of the Sales Tax (as hereinafter defined). See “—School Facilities Sales Tax” herein.

(1) Taxable General Obligation Refunding School Bonds (Alternate Revenue Source), Series 2022C, dated March 8, 2022 (the “*Series 2022C Bonds*” and, together with the 2024B Bonds, the “*Alternate Bonds*”).

(2) Mandatory sinking fund payment.

OVERLAPPING GENERAL OBLIGATION BONDS  
(As of January 2, 2026)

TAXING BODY	OUTSTANDING BONDS <sup>(1)</sup>	APPLICABLE TO THE DISTRICT PERCENT	AMOUNT
The County	\$1,029,600	21.876%	\$ 225,237
SWIC 522	74,110,000	1.297%	960,961
TOTAL OVERLAPPING GENERAL OBLIGATION BONDS			<u>\$1,186,198</u>

Source: With respect to the applicable taxing bodies and the information used to calculate the percentage of overlapping EAV, the County Clerk's Office. Information regarding the outstanding bonds of the overlapping taxing bodies was obtained from publicly-available sources.

- (1) Does not include alternate revenue bonds. Under the Debt Reform Act, alternate revenue bonds are not included in the computation of indebtedness of the overlapping taxing bodies unless the taxes levied to pay the principal of and interest on the alternate revenue bonds are extended for collection. The District provides no assurance that any of the taxes so levied have not been extended, nor can the District predict whether any of such taxes will be extended in the future.

SELECTED FINANCIAL INFORMATION

2024 Estimated Full Value of Taxable Property:	\$ 406,521,585
2024 EAV:	\$ 135,507,195
Population Estimate:	9,058
General Obligation Bonds:	\$ 10,205,000 <sup>(1)(2)</sup>
Other Direct General Obligation Debt:	\$ 0
Total Direct General Obligation Debt:	\$ 10,205,000 <sup>(1)</sup>
Percentage to Full Value of Taxable Property:	2.51% <sup>(1)</sup>
Percentage to EAV:	7.53% <sup>(1)</sup>
Debt Limit (13.8% of EAV):	\$ 18,699,992
Percentage of Debt Limit:	54.57% <sup>(1)</sup>
Per Capita:	\$ 1,127 <sup>(1)</sup>
General Obligation Bonds:	\$ 10,205,000 <sup>(1)(2)</sup>
Overlapping General Obligation Bonds:	\$ 1,186,198
General Obligation Bonds and Overlapping General Obligation Bonds:	\$ 11,391,198 <sup>(1)</sup>
Percentage to Full Value of Taxable Property:	2.80% <sup>(1)</sup>
Percentage to EAV:	8.41% <sup>(1)</sup>
Per Capita:	\$ 1,258 <sup>(1)</sup>

(1) Preliminary, subject to change.

- (2) Does not include alternate revenue bonds, such as the Alternate Bonds, which, under the Debt Reform Act, are not included in the computation of indebtedness of the District unless the taxes levied to pay the principal of and interest on the Alternate Bonds are extended for collection by the County Clerk.

## COMPOSITION OF EAV

	2020	2021	2022	2023	2024
<b>Property Type</b>					
Residential	\$ 57,347,288	\$ 58,088,837	\$ 58,958,771	\$ 63,838,200	\$ 69,078,997
Farm	26,723,813	28,232,679	30,445,309	33,741,562	37,120,439
Commercial	10,889,927	13,472,300	13,251,100	14,278,530	16,830,445
Industrial	1,779,724	2,083,755	2,087,985	2,215,550	2,384,505
Railroad	<u>8,272,138</u>	<u>8,989,582</u>	<u>9,849,040</u>	<u>10,637,358</u>	<u>10,092,809</u>
Total EAV	\$105,012,890	\$110,867,153	\$114,592,205	\$124,711,200	\$135,507,195

Source: County Clerk's Office.

## NEW PROPERTY

The following chart indicates the EAV of “new property” (as defined in the Limitation Law) within the District for each of the last five levy years.

LEVY YEAR	NEW PROPERTY
2020	\$ 470,645
2021	1,256,060
2022	775,120
2023	1,064,302
2024	1,326,415

Source: County Clerk's Office.

## TREND OF EAV

LEVY YEAR	EAV	% CHANGE IN EAV FROM PREVIOUS YEAR
2020	\$105,012,890	+0.65% <sup>(1)</sup>
2021	110,867,153	+5.57%
2022	114,592,205	+3.36%
2023	124,711,200	+8.83%
2024	135,507,195	+8.66%

Source: County Clerk's Office.

(1) Based on the District's 2019 EAV of \$104,333,207.

## TAXES EXTENDED AND COLLECTED

TAX LEVY YEAR/ COLLECTION YEAR	TAXES EXTENDED	TAXES COLLECTED AND DISTRIBUTED <sup>(1)</sup>	PERCENT COLLECTED
2020/21	\$3,708,280	\$3,705,210	99.92%
2021/22	3,861,176	3,858,560	99.93%
2022/23	4,052,927	4,048,564	99.89%
2023/24	4,229,223	4,225,037	99.90%
2024/25	4,530,583	3,098,243	68.39% <sup>(2)</sup>

Source: Randolph County Treasurer's Office.

(1) Excludes interest.

(2) Collections are through October 31, 2025.

## SCHOOL DISTRICT TAX RATES BY PURPOSE

(Per \$100 EAV)

PURPOSE	2020	2021	2022	2023	2024	MAXIMUM RATE <sup>(1)</sup>
Educational	\$1.71978	\$1.71427	\$1.75932	\$1.71390	\$1.61443	None <sup>(2)</sup>
Bonds and Interest	0.74203	0.70164	0.67611	0.62418	0.69062	None
Operations and Maintenance	0.46143	0.45996	0.46979	0.43753	0.40539	\$0.75000
IMRF	0.11653	0.11617	0.11617	0.06359	0.22596	None
Transportation	0.18644	0.18586	0.18985	0.17254	0.16414	None
Working Cash	0.04230	0.04217	0.04312	0.04126	0.04465	0.05000
Special Education	0.04196	0.04184	0.04271	0.04097	0.04512	0.80000
Tort Judgments, Liability	0.12212	0.12175	0.12437	0.10396	0.10234	None
Social Security	0.07924	0.07901	0.07924	0.17486	0.03946	None
Revenue Recapture <sup>(3)</sup>	<u>0.00000</u>	<u>0.00460</u>	<u>0.01868</u>	<u>0.00728</u>	<u>0.01177</u>	None
TOTAL	\$3.51183	\$3.46727	\$3.51936	\$3.38007	\$3.34388	

Source: County Clerk's Office.

(1) See "REAL PROPERTY ASSESSMENT, TAX LEVY AND COLLECTION PROCEDURES—Property Tax Extension Limitation Law" herein for information on the operation of such maximum rates under the Limitation Law.

(2) The District does not have a maximum tax rate for educational fund purposes. The aggregate tax rate for the various purposes subject to the Limitation Law, however, may not exceed the District's limiting rate under the Limitation Law.

(3) See "REAL PROPERTY ASSESSMENT, TAX LEVY AND COLLECTION PROCEDURES-Property Tax Extension Limitation Law" herein for information on the property tax refund revenue recapture provisions of the Limitation Law.



## REPRESENTATIVE TOTAL TAX RATES

(Per \$100 EAV)

TAXING AUTHORITY	2020	2021	2022	2023	2024
The District	\$3.51183	\$3.46727	\$3.51936	\$3.38007	\$3.34388
The County	0.86166	0.86929	0.87413	0.86324	0.83917
Consolidated Road No. 2	0.47967	0.47179	0.48095	0.47383	0.45792
Mental Health Board	0.04663	0.04723	0.04729	0.04693	0.04578
Randolph County Ambulance	0.02143	0.02146	0.02042	0.01995	0.01946
The City	1.74118	1.69996	1.79090	1.71507	1.62276
SWIC 522	<u>0.45085</u>	<u>0.44570</u>	<u>0.42266</u>	<u>0.40447</u>	<u>0.37206</u>
TOTAL <sup>(1)</sup>	\$7.11325	\$7.02270	\$7.15571	\$6.90356	\$6.70103

Source: County Clerk's Office.

(1) The total of such rates is the property tax rate paid by a typical resident living in the City.

## TEN LARGEST TAXPAYERS

TAXPAYER NAME	DESCRIPTION	2024 EAV	PERCENT OF DISTRICT'S TOTAL EAV
Union Pacific Railroad	Railroad property	\$10,085,624	7.44%
Gilster Mary Lee Corp.	Corporate headquarters	2,582,950	1.91%
Chester Shopping Center LLC	Shopping center	1,236,950	0.91%
Individual Trust	Commercial/ farm property	760,660	0.56%
Chester Hospitality LLC	Motel	656,235	0.48%
CF AM Holdings LLC	Office building	639,955	0.47%
Pechacek Properties LLC	Funeral home	584,695	0.43%
Carl Rose Farms LLC	Farm/residential property	553,995	0.41%
High Point Residence Chester Realty LLC	Senior care residences	529,020	0.39%
Individual	Farmland	<u>516,110</u>	<u>0.38%</u>
TOTAL		\$18,146,194	13.39%

Source: County Clerk's Office, except for taxpayer descriptions which are based on publicly available information available to the District.

The above taxpayers represent 13.39% of the District's 2024 EAV of \$135,507,195. Reasonable efforts have been made to seek out and report the largest taxpayers. However, many of the taxpayers listed may own multiple parcels and it is possible that some parcels and their valuations may not be included.

## RETAILERS' OCCUPATION TAX AND SERVICE OCCUPATION TAX

The following table shows the distribution of the municipal portion of the Retailers' Occupation Tax and Service Occupation Tax collected by the Illinois Department of Revenue (the "*Department*") from retailers within the City. The table indicates the level of retail activity in the City.

CALENDAR YEAR	STATE SALES TAX DISTRIBUTION <sup>(1)</sup>
2020	\$637,335
2021	737,277
2022	765,817
2023	795,756
2024	847,893
2025 <sup>(2)</sup>	756,041

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Source: The Department.

(1) Tax distributions are based on records of the Department relating to the 1% municipal portion of the Retailers' Occupation Tax and Service Occupation Tax, collected on behalf of the City, less a State administration fee. The municipal 1% sales tax includes tax receipts from the sale of food and drugs which are not taxed by the State.

(2) Through September 2025.

## CORPORATE PERSONAL PROPERTY REPLACEMENT TAXES

Corporate Personal Property Replacement Taxes ("*CPPRT*") are revenues received from a tax imposed on corporations, partnerships, trusts, S corporations and public utilities in the State. The purpose of the CPPRT is to replace revenues lost by units of local government (including the District) as a result of the abolishment of the corporate personal property tax (the "*Personal Property Tax*") with the adoption of the Illinois Constitution of 1970. The State Revenue Sharing Act (the "*Sharing Act*") was passed in 1979, implementing the CPPRT to replace the lost Personal Property Tax revenues and providing the mechanism for distributing collections of CPPRT to taxing districts (including the District) entitled to receive such tax revenues under the Sharing Act. The following table sets forth the amount of CPPRT received by the District over the last five years and the estimated amount to be received in Fiscal Year 2026:

FISCAL YEAR	CPPRT RECEIPTS
2021	\$264,157
2022	575,794
2023	650,816
2024	428,676
2025	284,251
2026 (estimated)	290,107

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Source: The Fiscal Years 2021 through 2025 Audits and the Department for Fiscal Year 2026.

## SCHOOL FACILITIES SALES TAX

On October 17, 2007, the General Assembly ("*General Assembly*") of the State enacted the County School Facility Occupation Tax Law of the State of Illinois, as amended (the "*Sales Tax Law*"), which authorizes a countywide sales tax to be used exclusively for school facility purposes (the "*Sales Tax*") to be imposed in any county, other than Cook County, following a successful referendum therefor. "School facility purposes" is defined in the Law and includes (a) the acquisition, development, construction, reconstruction, rehabilitation, improvement, financing, architectural planning, and installation of capital facilities consisting of buildings, structures and durable equipment, the acquisition and improvement of real property required, or expected to be required, in connection with capital facilities and fire prevention, safety, energy conservation, disabled accessibility, school security and specified repair purposes set forth under Section 17-2.11 of the School Code and (b) payment of bonds or other obligations issued for school facility purposes or issued to refund such bonds or other obligations, provided that the taxes levied to pay such bonds are abated by the Sales Tax proceeds used to pay such bonds. The Sales Tax may be imposed only in 0.25% increments and may not exceed 1%.

The question of imposing a 1% Sales Tax was approved by a majority of the voters of the County at the general primary election held on March 18, 2014. The District began to receive the Sales Tax Revenues in November 2014. In Fiscal Year 2025, the District received \$788,256 as its share of the Sales Tax from the County. The District is currently using the Sales Tax for pay-as-you-go capital projects and to pay debt service on the Alternate Bonds.

The Sales Tax is collected by the Department and held by the State Treasurer in the School Facility Occupation Tax Fund. By the 25th day of each month, the Department must certify to the State Comptroller the amount to be disbursed to the regional superintendent of schools for each county in which the taxes have been imposed and collected during the second preceding calendar month. Within 10 days after its receipt of such certification from the Department, the Comptroller is required to cause orders to be drawn for the amounts contained in the certification.

Within 30 days after receiving any Sales Tax, each regional superintendent must disburse the Sales Tax to each school district that is located in the county in which the tax was collected. The Sales Tax is disbursed on an enrollment basis and allocated based upon the number of each school district's pupils that reside within the county collecting the tax divided by the total number of students for all school districts within the county. Enrollment is based on the head count of the students residing in the county on the last school day of September of each year as reported on the Public School Fall Enrollment/Housing Report produced by the Illinois State Board of Education ("*ISBE*"). All Sales Tax received by a school district must be maintained in a special fund known as the School Facility Occupation Tax Fund and may only be used for school facility purposes.

## LARGEST EMPLOYERS

Below is a listing of large employers within or near the District.

EMPLOYER	PRODUCT OR SERVICE	LOCATION	APPROXIMATE NUMBER OF EMPLOYEES
Menard Correctional Center	State prison facility for adult male prisoners	Chester	867
Glister-Mary Lee Corporation	Baking and cake mixes, packaged dry macaroni and cheese	Steeleville	750
Glister-Mary Lee Corporation	Corporate headquarters; dry soup mixes, instant potatoes, and breakfast cereals	Chester	680
Chester Mental Health Center	Forensic hospital for criminally insane males	Chester	530
Spartan Light Metal Products, Inc.	Producer of aluminum and magnesium custom die castings	Sparta	480
Roeslein & Assocs., Inc.	Fabrication of modularized units and products for can making, industrial manufacturing, oil and gas, energy and chemical processing industries	Red Bud	280
Peabody Energy Co.	Coal mining	Coulterville	220
Red Bud Industries, Inc.	Coil processing equipment	Red Bud	225
Memorial Hospital	Healthcare	Chester	200
Gateway FS, Inc.	Corporate headquarters; fertilizer blending	Red Bud	170
The District	Public school district	Chester	150 <sup>(1)</sup>
United Ironworkers, Inc.	Commercial steel erection services and installation	Steeleville	150
DKG Trading, Inc.	Distributor of ammunition and shooting sports accessories	Sparta	125
B & D Machine Works, Inc.	Mining and steel mill equipment and machining and welding job shop	Marissa	101
Secon Rubber & Plastics, Inc.	Gaskets and weather strippings	Red Bud	100

Source: 2026 Illinois Services and 2026 Illinois Manufacturers Directories, the Illinois Department of Commerce and Economic Opportunity and District employee information was provided by the District.

(1) Includes part-time employees.

## UNEMPLOYMENT RATES

Unemployment statistics are not compiled specifically for the District. The following table shows the trend in annual average unemployment rates, as well as the average unemployment rates for the nine-month period ending September 2025, for the City, County and State.

	THE CITY	THE COUNTY	THE STATE
2020 – Average <sup>(1)</sup>	6.6%	7.3%	9.3%
2021 – Average	3.6%	4.7%	6.1%
2022 – Average	3.6%	4.0%	4.6%
2023 – Average	3.7%	4.2%	4.5%
2024 – Average	3.7%	4.3%	5.0%
2025 – Average <sup>(2)</sup>	NA	3.7%	4.7%

Source: State of Illinois Department of Employment Security.

(1) The District attributes the higher unemployment rates to the COVID-19 pandemic.

(2) Nine-month average unemployment rate. Not available for municipalities, such as the City, with a population of less than 25,000.

## HOUSING VALUE AND INCOME STATISTICS

The following table sets forth information regarding median home values and various income related statistics for the City, County and State.

	THE CITY	THE COUNTY	THE STATE
Median Home Value	\$107,800	\$134,100	\$250,500
Median Household Income	74,673	68,870	81,702
Median Family Income	112,846	89,319	103,504
Per Capita Income	24,523	31,900	45,104

Source: U.S. Census Bureau 2019-2023 American Community Survey 5-Year Estimates released by the U.S. Census Bureau December 12, 2024.

## SHORT-TERM BORROWING

The District has not issued tax anticipation warrants or revenue anticipation notes during the last five years to meet its short-term current year cash flow requirements.

## FUTURE DEBT

Except for the Bonds, the District does not currently anticipate issuing any debt in the next six months.

## DEFAULT RECORD

The District has no record of default and has met its debt repayment obligations promptly.

## WORKING CASH FUND

The District is authorized to issue (subject to the provisions of the Limitation Law) general obligation bonds to create, re-create or increase a Working Cash Fund. Such fund can also be created, re-created or increased by the levy of an annual tax not to exceed \$.05 per hundred dollars of EAV (the "*Working Cash Fund Tax*"). The purpose of the fund is to enable the District to have sufficient cash to meet demands for expenditures for corporate purposes. Moneys in the Working Cash Fund may be loaned, in whole or in part, as authorized and directed by the Board, to any fund or funds of the District in anticipation of ad valorem property taxes levied by the District for such fund or funds. The Working Cash Fund is reimbursed when the anticipated taxes or other moneys are received by the District.

Any time moneys are available in the Working Cash Fund, they must be transferred to such other funds of the District and used for any and all school purposes so as to avoid, whenever possible, the issuance of tax anticipation warrants or notes. Interest earned from the investment of the Working Cash Fund may be transferred from the Working Cash Fund to other funds of the District that are most in need of the interest. Moneys in the Working Cash Fund may not be appropriated by the Board in the annual budget.

The District also has the authority to abate amounts in the Working Cash Fund to any other fund of the District if the amount on deposit in such other fund after the abatement will not constitute an excess accumulation of money in that fund and as long as the District maintains an amount to the credit of the Working Cash Fund at least equal to 0.05% of the then current value, as equalized or assessed by the Department, of the taxable property in the District.

Finally, the District may abolish the Working Cash Fund and direct the transfer of any balance thereof to the educational fund at the close of the then current fiscal year. After such abolishment, all outstanding Working Cash Fund Taxes levied will be paid into the educational fund upon collection. Outstanding loans from the Working Cash Fund to other funds of the District at the time of abolishment will be paid or become payable to the educational fund at the close of the then current fiscal year. The outstanding balance in the Working Cash Fund at the time of abolishment, including all outstanding loans from the Working Cash Fund to other funds of the District and all outstanding Working Cash Fund Taxes levied, may be used and applied by the District for the purpose of reducing, by the balance in the Working Cash Fund at the close of the fiscal year, the amount of taxes that the Board otherwise would be authorized or required to levy for educational purposes for the fiscal year immediately succeeding the fiscal year in which the Working Cash Fund is abolished.

## WORKING CASH FUND SUMMARY

FISCAL YEAR	END OF YEAR FUND BALANCE
2021	\$ 367,308
2022	1,161,940 <sup>(1)</sup>
2023	1,208,876
2024	484,992 <sup>(2)</sup>
2025	547,904

Source: Compiled from the District's audited financial statements for Fiscal Years 2021 through 2025.

(1) Increase due to the issuance of the 2022A Bonds, the proceeds of which were deposited in the Working Cash Fund.

(2) Decrease due to an abatement of \$800,000 to the Capital Projects Fund.

## REAL PROPERTY ASSESSMENT, TAX LEVY AND COLLECTION PROCEDURES

### SUMMARY OF PROPERTY ASSESSMENT, TAX LEVY AND COLLECTION PROCEDURES

A separate tax to pay principal of and interest on the Bonds will be levied on all taxable real property within the District. The information under this caption describes the current procedures for real property assessments, tax levies and collections in the County. There can be no assurance that the procedures described herein will not change.

### TAX LEVY AND COLLECTION PROCEDURES

Local Assessment Officers determine the assessed valuation of taxable real property and railroad property not held or used for railroad operations. The Department assesses certain other types of taxable property, including railroad property held or used for railroad operations. Local Assessment Officers' valuation determinations are subject to review at the county level and then, in general, to equalization by the Department. Such equalization is achieved by applying to each county's assessments a multiplier determined by the Department. The purpose of equalization is to provide a common basis of assessments among counties by adjusting assessments toward the statutory standard of 33-1/3% of fair cash value. Farmland is assessed according to a statutory formula, which takes into account factors such as productivity and crop mix. Taxes are extended against the assessed values after equalization.

Property tax levies of each taxing body are filed in the office of the county clerk of each county in which territory of that taxing body is located. The county clerk computes the rates and amount of taxes applicable to taxable property subject to the tax levies of each taxing body and determines the dollar amount of taxes attributable to each respective parcel of taxable property. The county clerk then supplies to the appropriate collecting officials within the county the information needed to bill the taxes attributable to the various parcels therein. After the taxes have been collected, the collecting officials distribute to the various taxing bodies their respective shares of the taxes collected. Taxes levied in one calendar year are due and payable in two installments during the next calendar year.

## UNPAID TAXES AND ANNUAL TAX SALES

Taxes that are not paid when due, or that are not paid by mail and postmarked on or before the due date, are deemed delinquent and bear interest at the rate of 1.50% per month (or portion thereof) until paid. Unpaid property taxes, together with penalties, interest and costs, constitute a lien against the property subject to the tax. If taxes go unpaid for 13 months, each county treasurer is required to sell the delinquent property taxes at the “Annual Tax Sale” — a sale of tax liens, not properties. A public sale is held, at which time successful tax buyers pay the unpaid taxes plus penalties. Taxpayers can redeem their property by paying the amount paid at the sale, plus interest penalties and fees. If no redemption is made within the applicable redemption period, then the tax buyer can secure a court-ordered deed to the home. If a tax buyer can prove the home has been abandoned, the period for seeking a deed can be shortened to two years. Owners of vacant, commercial and industrial properties have six months to redeem their taxes before the tax buyer can seek ownership of the property.

If there is no sale of the tax lien on a parcel of property at the Annual Tax Sale, the taxes are forfeited and the property becomes eligible to be purchased at any time thereafter at an amount equal to all delinquent taxes and interest accrued to the date of purchase. Redemption periods and procedures are the same as applicable to the Annual Tax Sale.

When taxes go unpaid for more than 20 years, Illinois law states that the property is “forfeited to the state.” As a practical matter, this does not happen. Instead, the taxes are wiped out, as the property remains in its distressed condition barring a change in the owner’s circumstances or it being sold.

Recent federal court decisions have challenged the constitutionality of tax sale systems similar to the Illinois tax sale system in other states. In December 2025, a federal court determined that Cook County’s tax sale system is likewise unconstitutional based on those earlier rulings. The General Assembly has not yet considered legislation to modify the tax sale system in Illinois. The District makes no prediction as to the effect of such rulings on the State’s tax sale process or the likelihood, or effect, of any legislation modifying such tax sale process in the future.

## EXEMPTIONS

The Illinois Property Tax Code, as amended (the “*Property Tax Code*”), exempts certain property from taxation. Certain property is exempt from taxation on the basis of ownership and/or use, including, but not limited to, public parks, not-for-profit schools, public schools, churches, not-for-profit hospitals and public hospitals. In addition, the Property Tax Code provides a variety of homestead exemptions, which are discussed below.

An annual General Homestead Exemption provides that the EAV of certain property owned and used for residential purposes (“*Residential Property*”) may be reduced by the amount of any increase over the 1977 EAV, up to a maximum reduction of \$6,000. Beginning with tax year 2023, the maximum reduction in the five collar counties (DuPage, Kane, Lake, McHenry and Will) (the “*Collar Counties*”) is \$8,000.



The Homestead Improvement Exemption applies to Residential Property that has been improved or rebuilt in the two years following a catastrophic event, as defined in the Property Tax Code. The exemption is limited to an annual maximum amount of \$75,000 for up to four years to the extent the assessed value is attributable solely to such improvements or rebuilding.

The Senior Citizens Homestead Exemption annually reduces the EAV on residences owned and occupied by senior citizens. The maximum exemption is \$5,000. Beginning with tax year 2023, the maximum exemption in the Collar Counties is \$8,000.

The Senior Citizens Assessment Freeze Homestead Exemption freezes property tax assessments for homeowners who are 65 and older, reside in their property as their principal place of residence and receive a household income not in excess of the maximum income limitation. The maximum income limitation is \$65,000. This exemption grants to qualifying senior citizens an exemption equal to the difference between (a) the current EAV of the residence and (b) the EAV of a senior citizen's residence for the year prior to the year in which he or she first qualifies and applies for the exemption, plus the EAV of improvements since such year.

Purchasers of certain single family homes and residences of one to six units located in certain targeted areas (as defined in the Property Tax Code) can apply for the Community Stabilization Assessment Freeze Pilot Program. To be eligible the purchaser must meet certain requirements for rehabilitating the property, including expenditures of at least \$5 per square foot, adjusted by CPI. Upon meeting the requirements, the assessed value of the improvements is reduced by (a) 90% in the first seven years, (b) 65% in the eighth year and (c) 35% in the ninth year. The benefit ceases in the tenth year. The program will be phased out by June 30, 2029.

The Natural Disaster Homestead Exemption (the "*Natural Disaster Exemption*") applies to homestead properties containing a residential structure that has been rebuilt following a natural disaster. A natural disaster is an occurrence of widespread or severe damage or loss of property resulting from any catastrophic cause including but not limited to fire, flood, earthquake, wind, or storm. The Natural Disaster Exemption is equal to the EAV of the residence in the first taxable year for which the taxpayer applies for the exemption minus the base amount. To be eligible for the Natural Disaster Exemption, the residential structure must be rebuilt within two years after the date of the natural disaster, and the square footage of the rebuilt residential structure may not be more than 110% of the square footage of the original residential structure as it existed immediately prior to the natural disaster. The Natural Disaster Exemption remains at a constant amount until the taxable year in which the property is sold or transferred.

Several exemptions are available to veterans of the United States armed forces. The Veterans with Disabilities Exemption for Specially-Adapted Housing exempts up to \$100,000 of the Assessed Valuation of property owned and used exclusively by veterans with a disability, their spouses or unmarried surviving spouses. Qualification for this exemption requires the veteran's disability to be of such a nature that the federal government has authorized payment for purchase of specially adapted housing under the U.S. Code as certified to annually by the Illinois Department of Veterans Affairs or for housing or adaptations donated by a charitable organization to such disabled veteran.

The Standard Homestead Exemption for Veterans with Disabilities provides an annual homestead exemption to veterans with a service-connected disability based on the percentage of such disability. If the veteran has a (a) service-connected disability of 30% or more but less than 50%, the annual exemption is \$2,500, (b) service-connected disability of 50% or more but less than 70%, the annual exemption is \$5,000, and (c) service-connected disability of 70% or more, the property is exempt from taxation.

The Returning Veterans' Homestead Exemption is available for property owned and occupied as the principal residence of a veteran in the assessment year, and the year following the assessment year, in which the veteran returns from an armed conflict while on active duty in the United States armed forces. This provision grants a one-time, two-year homestead exemption of \$5,000.

Finally, the Homestead Exemption for Persons with Disabilities provides an annual homestead exemption in the amount of \$2,000 for property that is owned and occupied by certain disabled persons who meet State-mandated guidelines.

#### PROPERTY TAX EXTENSION LIMITATION LAW

The Limitation Law limits the annual growth in the amount of property taxes to be extended for certain Illinois non-home-rule units, including the District. In general, the annual growth permitted under the Limitation Law is the lesser of 5% or the percentage increase in the CPI during the calendar year preceding the levy year. Taxes can also be increased due to new construction, referendum approval of tax rate increases, mergers and consolidations.

The effect of the Limitation Law is to limit the amount of property taxes that can be extended for a taxing body. In addition, general obligation bonds, notes and installment contracts payable from ad valorem taxes unlimited as to rate and amount cannot be issued by the affected taxing bodies unless they are approved by referendum, are bonds issued after July 1, 2024, for school fire prevention and safety purposes (such as the 2026B Bonds), are alternate bonds or are for certain refunding purposes (such as the 2026C Bonds).

The District has the authority to levy taxes for many different purposes. See "FINANCIAL INFORMATION AND ECONOMIC CHARACTERISTICS OF THE DISTRICT—School District Tax Rates by Purpose" above. The ceiling at any particular time on the rate at which these taxes may be extended for the District is either (a) unlimited (as provided by statute), (b) initially set by statute but permitted to be increased by referendum, (c) capped by statute, or (d) limited to the rate approved by referendum. The only ceiling on a particular tax rate is the ceiling set by statute, at which the rate is not permitted to be further increased by referendum or otherwise. Therefore, taxing districts (such as the District) have flexibility to levy taxes for the purposes for which they most need the money. The total aggregate tax rate for the various purposes subject to the Limitation Law, however, will not be allowed to exceed the District's limiting rate computed in accordance with the provisions of the Limitation Law.

If the District's Adequacy Target (as defined under "STATE AID" herein) exceeds 110% for the school year that begins during the calendar year immediately preceding the levy year for which

a tax reduction is sought, a petition signed by at least 10% of the registered voters in the District may be filed requiring a proposition to be submitted to the District's voters at the next consolidated election in April of odd-numbered years asking the voters whether the District must reduce its extension for educational purposes for the levy year in which the election is held to an amount that is less than the extension for educational purposes for the immediately preceding levy year. The reduced extension, however, may not be more than 10% lower than the amount extended for educational purposes in the previous levy year and may not cause the District's Adequacy Target to fall below 110% for the levy year for which the reduction is sought. If the voters approve the proposition, the County Clerk will extend a rate for educational purposes that is no greater than the limiting rate for educational purposes computed in accordance with the Limitation Law. Furthermore, if the voters approve such proposition, separate limiting rates for educational purposes and for the aggregate of the District's other funds subject to the Limitation Law will be computed in accordance with the provisions of the Limitation Law. If such proposition is submitted to the voters, it may not be submitted again at any of the next two consolidated elections.

Local governments, including the District, can issue limited bonds (such as the 2026A Bonds) in lieu of general obligation bonds that have otherwise been authorized by applicable law. See "THE BONDS—Security for the 2026A Bonds" herein.

Beginning with levy year 2021, each tax-capped taxing district (such as the District) receives an automatic levy increase in the amount of any property tax refunds paid by such taxing district in the prior year as a result of the issuance of certificates of error, court orders issued in connection with valuation tax objection complaints and Illinois Property Tax Appeal Board decisions. For levy year 2024, the additional amount added to the District's tax levy as a result of this change was \$15,949.

Pursuant to Section 18-190.7 of the Property Tax Code, school districts that have a designation of "recognition" or "review" according to ISBE's School District Financial Profile System, park districts, library districts and community college districts and for which taxes were not extended at the maximum amount permitted under the Limitation Law in a given levy year may be able to recapture all or a portion of such unrealized levy amount in a subsequent levy year. Section 18-190.7 directs county clerks, in calculating the limiting rate for a given taxing district, to use the greater of the taxing district's last preceding aggregate extension or the district's last preceding aggregate extension if the taxing district had utilized the maximum limiting rate permitted without referendum for each of the three immediately preceding levy years. The aggregate extension of a taxing district that includes any recapture for a particular levy year cannot exceed the taxing district's aggregate extension for the immediately preceding levy year by more than 5%. If a taxing district cannot recapture the entire unrealized levy amount in a single levy year, the taxing district may increase its aggregate extension in each succeeding levy year until the entire levy amount is recaptured.

Illinois legislators have introduced several proposals to further modify the Limitation Law, including freezing property taxes and extending tax caps to all taxing bodies in the State. The District cannot predict whether, or in what form, any change to the Limitation Law may be enacted into law, nor can the District predict the effect of any such change on the District's finances.

## TRUTH IN TAXATION LAW

Legislation known as the Truth in Taxation Law (the “*Law*”) limits the aggregate amount of certain taxes which can be levied by, and extended for, a taxing district to 105% of the amount of taxes extended in the preceding year unless specified notice, hearing and certification requirements are met by the taxing body. The express purpose of the Law is to require published disclosure of, and hearing upon, an intention to adopt a levy in excess of the specified levels. The provisions of the Law do not apply to levies made to pay principal of and interest on the Bonds. The District covenanted in the Bond Resolutions that it will not take any action or fail to take any action which would adversely affect the ability of the District to levy and collect the taxes levied by the District for payment of principal of and interest on the Bonds. The District also covenanted that it and its officers will comply with all present and future applicable laws to assure that such taxes will be levied, extended, collected and deposited as provided in the Bond Resolutions.

## SCHOOL DISTRICT FINANCIAL PROFILE

ISBE utilizes a system for assessing a school district’s financial health referred to as the “*School District Financial Profile*” which replaced the Financial Watch List and Financial Assurance and Accountability System (FAAS). This system identifies those school districts which are moving into financial distress.

The system uses five indicators which are individually scored, placed into a category of a four, three, two or one, with four being the best possible, and weighted in order to arrive at a composite district financial profile. The indicators and the weights assigned to those indicators are as follows: fund balance to revenue ratio (35%); expenditures to revenue ratio (35%); days cash on hand (10%); percent of short-term borrowing ability remaining (10%); and percent of long-term debt margin remaining (10%).

The scores of the weighted indicators are totaled to obtain a district’s overall score. The highest score is 4.0 and the lowest score is 1.0. A district is then placed in one of four categories as follows:

- *Financial Recognition.* A school district with a score of 3.54-4.00 is assigned to this category, which is the best category of financial strength. These districts require minimal or no active monitoring by ISBE unless requested by the district.
- *Financial Review.* A school district with a score of 3.08-3.53 is assigned to this category, the next highest financial strength category. These districts receive a limited review by ISBE, but are monitored for potential downward trends. ISBE staff also review the next year’s school budget for further negative trends.
- *Financial Early Warning.* A school district with a score of 2.62-3.07 is placed in this category. ISBE monitors these districts closely and offers proactive technical assistance, such as financial projections and cash flow analysis. These districts also are reviewed to determine whether they meet the criteria set forth in Article 1A-8

of the School Code to be certified in financial difficulty and possibly qualify for a Financial Oversight Panel.

- *Financial Watch.* A school district with a score of 1.00-2.61 is in this category, the highest risk category. ISBE monitors these districts very closely and offers technical assistance with, but not limited to, financial projections, cash flow analysis, budgeting, personnel inventories and enrollment projections. These districts are also assessed to determine if they qualify for a Financial Oversight Panel.

For each school district, ISBE calculates an original financial profile score (the “*Original Score*”) and an adjusted financial profile score (the “*Adjusted Score*”). The Original Score is calculated based solely on such school district’s audited financial statements as of the close of the most recent fiscal year. The Adjusted Score is calculated based initially on a school district’s audited financial statements for the most recent fiscal year, with adjustments made to reflect the impact on the Original Score of timing differences between such school district’s actual and expected receipt of State payments, as required by Section 1A-8 of the School Code. ISBE has implemented this statutory requirement by adding in payments expected to be received during the calculation year but not actually received until the following fiscal year, as well as by subtracting certain State payments received during the current fiscal year but attributable to a prior fiscal year. Such adjustments may have a varying effect on a school district’s Adjusted Score based on the amount of time by which such State payments are delayed and the accounting basis adopted by such school district. Due to the manner in which such requirement has been implemented by ISBE, a school district’s Adjusted Score may be different than it otherwise would have been in certain years based on the scheduled receipt of State payments.

The following table sets forth the District’s Original Scores and Adjusted Scores, as well as the designation assigned to each score, for each of the last five fiscal years (as released by ISBE in the calendar year following the conclusion of each fiscal year):

FISCAL YEAR	ORIGINAL SCORE	DESIGNATION BASED ON ORIGINAL SCORE	ADJUSTED SCORE	DESIGNATION BASED ON ADJUSTED SCORE
2020	3.70	Recognition	3.70	Recognition
2021	3.80	Recognition	3.80	Recognition
2022	3.80	Recognition	3.80	Recognition
2023	3.80	Recognition	3.80	Recognition
2024	3.80	Recognition	3.80	Recognition

## STATE AID

### GENERAL

The State provides aid to local school districts on an annual basis as part of the State's appropriation process. Many school districts throughout the State rely on such state aid as a significant part of their budgets. For Fiscal Year 2025, 48.69% of the District's General Fund revenue came from State funding sources. See *Exhibit C* to this Official Statement for more information concerning the breakdown of the District's revenue sources.

### GENERAL STATE AID—EVIDENCE-BASED FUNDING MODEL

Beginning with Fiscal Year 2018, general State funds (*"General State Aid"*) have, pursuant to Public Act 100-0465, been distributed to school districts under the "Evidence-Based Funding Model". The Evidence-Based Funding Model sets forth a school funding formula that ties individual district funding to evidence-based best practices that certain research shows enhance student achievement in the classroom. Under the funding formula, ISBE will calculate an adequacy target (the *"Adequacy Target"*) each year for each district based upon its unique student population, regional wage differences and best practices. Each district will be placed in one of four tiers depending on how close the sum of its local resources available to support education (based on certain State resources and its expected property tax collections, its *"Local Capacity Target"*), and its Base Funding Minimum (as hereinafter defined) are to its Adequacy Target; Tier One and Tier Two for those districts that are the furthest away from their Adequacy Targets and Tier Three and Tier Four for those districts that are the closest to (or above) their Adequacy Targets. For each school year, all State funds appropriated for General State Aid in excess of the amount needed to fund the Base Funding Minimum for all school districts (*"New State Funds"*) will be distributed to districts based on tier placement. Of any New State Funds available, Tier One receives 50%, Tier Two receives 49%, Tier Three receives 0.9%, and Tier Four receives 0.1%. Tier Two includes all Tier One districts for the purpose of the allocation percentages for New State Funds.

On June 16, 2025, Governor Pritzker signed the State's \$55.2 billion general funds budget (Public Act 104-0003) for the fiscal year ending June 30, 2026 (the *"Fiscal Year 2026 Budget"*). The Fiscal Year 2026 Budget increased funding for K-12 education by approximately \$275 million. The Fiscal Year 2026 Budget appropriated General State Aid in an amount \$300 million greater than the appropriation in the prior fiscal year budget. Such additional General State Aid will be distributed to districts pursuant to the Evidence-Based Funding Model.

The Evidence-Based Funding Model also provides that each school district will be allocated at least as much in General State Aid in future years as it received in the most recently completed school year (such amount being the district's *"Base Funding Minimum"*). The Base Funding Minimum for the District for school year 2017-2018 was \$3,763,431 (the *"Initial Base Funding Minimum"*). Mandated Categorical State Aid (as hereinafter defined) received by the District in Fiscal Year 2017, other than Mandated Categorical State Aid related to transportation and extraordinary special education, was included in the Initial Base Funding Minimum. Any

New State Funds received by a district in a year become part of its Base Funding Minimum in the following year.

The following table sets forth the amounts received by the District pursuant to the Evidenced-Based Funding Model in each of the last five fiscal years, and the amount expected to be received in Fiscal Year 2026.

FISCAL YEAR	EVIDENCE-BASED FUNDING
2021	\$4,842,343
2022	5,401,896
2023	5,774,066
2024	6,066,254
2025	6,400,393
2026 (projected)	6,693,997

Source: The audited financial statements of the District for Fiscal Years 2021 through 2025, for historical amounts and ISBE for the amount projected for Fiscal Year 2026. The projected amount of Evidenced-Based Funding for Fiscal Year 2026 consists of the Base Funding Minimum plus anticipated New State Funds for Fiscal Year 2026.

The District was placed in Tier One for Fiscal Years 2025 and 2026.

#### PROPERTY TAX RELIEF POOL FUNDS

For the purpose of encouraging high tax rate school districts to reduce property taxes, the Evidence-Based Funding Model also established a property tax relief grant program (the “*Property Tax Relief Pool*”). School districts must apply for the grant and indicate an amount of intended property tax relief, which relief may not be greater than 1% of EAV for a unit district, 0.69% of EAV for an elementary school district or 0.31% of EAV for a high school district, reduced, in each case, based on the Local Capacity Target of the applicant. Property Tax Relief Pool grants will be allocated to school districts based on each district’s percentage of the simple average operating tax rate of all school districts of the same type (unit, elementary or high), in order of priority from highest percentage to lowest, until the Property Tax Relief Pool is exhausted. A school district which receives a Property Tax Relief Pool grant is required to abate its property tax levy by the amount of intended property tax relief for the levy year in which the grant is to be received, and the succeeding levy year. The difference between the amount of the grant and the amount of the abatement is based on a statutory calculation which takes into account relative Local Capacity Targets. Pursuant to such calculation, a school district with a low Local Capacity Target will be required to abate less than a school district with a high Local Capacity Target, assuming the amount of Property Tax Relief Pool grants received by the school districts are the same. Property Tax Relief Pool grants received by a school district are included in future calculations of that district’s Base Funding Minimum, unless that district does not abate its property tax levy by the amount of intended property tax relief as described above.

For each of the last three fiscal years, \$50 million of General State Aid was allocated to the Property Tax Relief Pool. In the Fiscal Year 2026 Budget, no funds were allocated to the Property Tax Relief Pool.

#### MANDATED CATEGORICAL STATE AID

Illinois school districts are entitled to reimbursement from the State for expenditures incurred in providing programs and services legally required to be available to students under State law. Such reimbursements, referred to as “*Mandated Categorical State Aid*,” are made to the school district in the fiscal year following the expenditure, *provided* that the school district files the paperwork necessary to inform the State of such an entitlement. From time to time, Mandated Categorical State Aid payments from the State have been delayed and have been prorated as part of the appropriation process, as described below.

Prior to Fiscal Year 2018, the School Code provided for Mandated Categorical State Aid with respect to mandatory school programs relating to: (a) special education, (b) transportation, (c) free and reduced breakfast and lunch, and (d) orphanage tuition. Beginning with Fiscal Year 2018, Mandated Categorical State Aid is no longer the source of funding for mandatory school programs relating to special education, other than private facility tuition and transportation. Mandated Categorical State Aid received by a district in Fiscal Year 2017 for special education programming no longer available for Mandated Categorical State Aid in Fiscal Year 2018 is included in the Base Funding Minimum for that district.

In addition, although school districts are entitled to reimbursement for expenditures made under these programs, these reimbursements are subject to the State’s appropriation process. In the event that the State does not appropriate an amount sufficient to fund fully the Mandated Categorical State Aid owed to each school district, the total Mandated Categorical State Aid is proportionally reduced such that each school district receives the same percentage of its Mandated Categorical State Aid request with respect to a specific category of such aid as every other school district.

In past years, the State has not fully funded all Mandated Categorical State Aid payments. Therefore, pursuant to the procedures discussed above, proportionate reductions in Mandated Categorical State Aid payments to school districts have occurred. However, because these programs are “mandatory” under the School Code, each school district must provide these programs regardless of whether such school district is reimbursed by the State for the related expenditures. No assurance can be given that the State will make appropriations in the future sufficient to fund fully the Mandatory Categorical State Aid requirements. As such, the District’s revenues may be impacted in the future by increases or decreases in the level of funding appropriated by the State for Mandated Categorical State Aid.

#### COMPETITIVE GRANT STATE AID

The State also provides funds to school districts for expenditures incurred in providing additional programs that are allowed, but not mandated by, the School Code. In contrast to Mandated Categorical State Aid, such “*Competitive Grant State Aid*” is not guaranteed to a school



district that provides these programs. Instead, a school district applying for Competitive Grant State Aid must compete with other school districts for the limited amount appropriated each year by the State for such program.

Competitive Grant State Aid is allocated, after appropriation by the State, among certain school districts selected by the State. The level of funding is annually determined separately for each category of aid based on the State's budget. This process does not guarantee that any funding will be available for Competitive Grant State Aid programs, even if a school district received such funding in a prior year. Therefore, school districts may incur expenditures with respect to certain Competitive Grant State Aid programs without any guarantee that the State will appropriate the money necessary to reimburse such expenditures.

#### PAYMENT FOR MANDATED CATEGORICAL STATE AID AND COMPETITIVE GRANT STATE AID

The State makes payments to school districts for Mandated Categorical State Aid and Competitive Grant State Aid (together, "*Categorical State Aid*") in accordance with a voucher system involving ISBE. ISBE vouchers payments to the State on a periodic basis. The time between vouchers varies depending on the type of Categorical State Aid in question. For example, with respect to the categories of Mandated Categorical State Aid related to extraordinary special education and transportation, ISBE vouchers the State for payments on a quarterly basis. With respect to Competitive Grant State Aid, a payment schedule is established as part of the application process, and ISBE vouchers the State for payment in accordance with this payment schedule.

Once ISBE has vouchered the State for payment, the State is required to make the Categorical State Aid payments to the school districts. As a general matter, the State is required to make such payments within 90 days after the end of the State's fiscal year.

See *Exhibit C* for a summary of the District's General Fund revenue sources.

#### FEDERAL COVID-19 FUNDS DISTRIBUTED TO THE DISTRICT

The COVID-19 pandemic, along with various governmental measures taken to protect public health in light of the pandemic, had an adverse impact on global economies, including economic conditions in the United States. In response to the pandemic, federal legislation, particularly the (i) Coronavirus Aid, Relief, and Economic Security Act (commonly known as ESSER I), (ii) Coronavirus Response and Relief Supplemental Appropriations Act of 2021 (commonly known as ESSER II), and (iii) American Rescue Plan of 2021 (commonly known as ESSER III), was enacted to provide funds to mitigate the economic downturn and health care crisis caused by COVID-19.

The District received \$210,410 pursuant to ESSER I, \$907,925 pursuant to ESSER II and \$2,471,920 pursuant ESSER III. The District spent the ESSER I funds on technology improvements, the ESSER II funds on summer school teacher salaries, after-school tutoring, curriculum, supplies, Chromebooks, supplies, updating HVAC in the 5th-6th grade wing and security and communications improvements, and the ESSER III funds on academics and improvement of instruction, staff and instructional materials to provide summer learning, after

school programs, assistance with staff retention and additions and building maintenance and improvements. All ESSER funds have been spent.

## **RETIREMENT PLANS**

The District participates in two defined benefit pension plans: (i) the Teachers' Retirement System of the State of Illinois ("*TRS*"), which provides retirement benefits to the District's teaching employees, and (ii) the Illinois Municipal Retirement Fund (the "*IMRF*" and, together with TRS, the "*Pension Plans*"), which provides retirement benefits to the District's non-teaching employees. The District makes certain contributions to the Pension Plans on behalf of its employees, as further described in this section. The operations of the Pension Plans, including the contributions to be made to the Pension Plans, the benefits provided by the Pension Plans, and the actuarial assumptions and methods employed in generating the liabilities and contributions of the Pension Plans, are governed by the Illinois Pension Code, as amended (the "*Pension Code*").

The following summarizes certain provisions of the Pension Plans and the funded status of the Pension Plans, as more completely described in Note 7 to the Audit, as hereinafter defined, attached hereto as APPENDIX A.

### **BACKGROUND REGARDING PENSION PLANS**

#### *The Actuarial Valuation*

The disclosures in the Audit related to the Pension Plans are based in part on the actuarial valuations of the Pension Plans. In the actuarial valuations, the actuary for each of the Pension Plans measures the financial position of the Pension Plan, determines the amount to be contributed to a Pension Plan pursuant to statutory requirements, and produces information mandated by the financial reporting standards (the "*GASB Standards*") issued by the Governmental Accounting Standards Board ("*GASB*"), as described below.

In producing an actuarial valuation, the actuary for the Pension Plan uses demographic data (including employee age, salary and service credits), economic assumptions (including estimated future salary and interest rates), and decrement assumptions (including employee turnover, mortality and retirement rates) and employs various actuarial methods to generate the information required to be included in such valuation.

#### *GASB Standards*

The GASB Standards provide standards for financial reporting and accounting related to pension plans.

The GASB Standards require calculation and disclosure of a "Net Pension Liability" or "Net Pension Asset," which is the difference between the actuarial present value of projected benefit payments that is attributed to past periods of employee service calculated pursuant to the methods and assumptions set forth in the GASB Standards (referred to in such statements as the

*“Total Pension Liability”*) and the fair market value of the pension plan’s assets (referred to as the *“Fiduciary Net Position”*).

Furthermore, the GASB Standards employ a rate, referred to in such statements as the *“Discount Rate,”* which is used to discount projected benefit payments to their actuarial present values. The Discount Rate is a blended rate comprised of (1) a long-term expected rate of return on a pension plan’s investments (to the extent that such assets are projected to be sufficient to pay benefits), and (2) a tax-exempt municipal bond rate meeting certain specifications set forth in the GASB Standards.

Finally, the GASB Standards require that the Net Pension Liability be disclosed in the notes to the financial statements of the pension system and that a proportionate share of the Net Pension Liability be recognized on the balance sheet of the employer, and that an expense be recognized on the income statement of the employer.

#### *Pension Plans Remain Governed by the Pension Code*

As described above, the GASB Standards establish requirements for financial reporting purposes. However, the Pension Plans are ultimately governed by the provisions of the Pension Code in all respects, including, but not limited to, the amounts to be contributed by the District to the Pension Plans in each year.

#### TEACHERS’ RETIREMENT SYSTEM OF THE STATE OF ILLINOIS

The District participates in TRS, which is a cost-sharing multiple-employer defined benefit pension plan that was created by the General Assembly for the benefit of Illinois public school teachers outside the City of Chicago. TRS members include all active non-annuitants who are employed by a TRS-covered employer, which includes all school districts located outside of the City of Chicago, to provide services for which teacher licensure is required.

The Pension Code sets the benefit provisions of TRS, which can only be amended by the General Assembly. The State maintains primary responsibility for the funding of the plan, but contributions from participating employers and members are also required. The TRS Board of Trustees is responsible for the System’s administration.

For information relating to TRS, see Note 7 to the Audit.

#### *Employer Funding of Teachers’ Retirement System*

Under the Pension Code, active members contribute 9.0% of creditable earnings to TRS. The State makes the balance of employer contributions to the State on behalf of the District, except

for a small portion contributed by the teacher’s employer, such as the District. For Fiscal Years 2021 through 2025, all amounts contributed by the District to TRS were as follows:

FISCAL YEAR	TRS CONTRIBUTION
2021	\$31,052
2022	48,024
2023	38,370
2024	36,796
2025	34,180

Source: The audited financial statements of the District for Fiscal Years 2021 and 2022, and the District for Fiscal Years 2023 through 2025.

#### ILLINOIS MUNICIPAL RETIREMENT FUND

The District also participates in the IMRF, which is a defined-benefit, agent multiple employer pension plan that acts as a common investment and administrative agent for units of local government and school districts in the State. The IMRF is established and administered under statutes adopted by the General Assembly. The Pension Code sets the benefit provisions of the IMRF, which can only be amended by the General Assembly.

Each employer participating in the IMRF, including the District, has an employer reserve account with the IMRF separate and distinct from all other participating employers (the “*IMRF Account*”) along with a unique employer contribution rate determined by the IMRF Board of Trustees (the “*IMRF Board*”), as described below. The employees of a participating employer receive benefits solely from such employer’s IMRF Account. Participating employers are not responsible for funding the deficits of other participating employers.

The IMRF issues a publicly available financial report that includes financial statements and required supplementary information which may be viewed at the IMRF’s website.

See Note 7 to the Audit for information on the IMRF.

#### *Contributions*

Both employers and employees contribute to the IMRF. At present, employees contribute 4.50% of their salary to the IMRF, as established by statute. Employers are required to make all additional contributions necessary to fund the benefits provided by the IMRF to its employees. The annual rate at which an employer must contribute to the IMRF is established by the IMRF Board. The District’s contribution rate for calendar year 2024 was 9.89% of covered payroll.

For the calendar years ended December 31, 2020, through December 31, 2024, the District contributed the following amounts to IMRF:

CALENDAR YEAR	IMRF CONTRIBUTION
2020	\$128,116
2021	153,290
2022	176,982
2023	153,193
2024	177,993

Source: Actuarial GASB Disclosures Statement 68 prepared by Gabriel, Roeder, Smith & Company as of December 31, 2024.

### *Measures of Financial Position*

The following table presents the measures of the IMRF Account's financial position as of December 31 of the years 2020 through 2024, which are presented pursuant to the GASB Standards.

CALENDAR YEAR ENDED DECEMBER 31	TOTAL PENSION LIABILITY	FIDUCIARY NET POSITION	NET PENSION (ASSET)/LIABILITY	FIDUCIARY NET POSITION AS A % OF TOTAL PENSION LIABILITY	DISCOUNT RATE
2020	\$7,126,040	\$6,884,316	\$ 241,724	96.61%	7.25%
2021	7,609,590	7,823,605	(214,015)	102.81%	7.25%
2022	7,911,277	6,528,652	1,382,625	82.52%	7.25%
2023	8,290,055	7,210,824	1,079,231	86.98%	7.25%
2024	8,398,661	7,498,311	900,350	89.28%	7.25%

Source: Actuarial GASB Disclosures Statement 68 prepared by Gabriel, Roeder, Smith & Company as of December 31, 2024.

See Note 7 to the Audit for information on the IMRF.

### **TEACHER HEALTH INSURANCE SECURITY FUND**

The District participates in the Teacher Health Insurance Security Fund (the "*THIS Fund*"), a cost-sharing, multiple-employer defined benefit post-employment healthcare plan that was established by the Illinois legislature for the benefit of retired Illinois public school teachers employed outside the city of Chicago. The THIS Fund provides medical, prescription, and behavioral health benefits, but it does not provide vision, dental, or life insurance benefits to annuitants of TRS.

The State maintains primary responsibility for funding, but contributions from participating employers and members are also required. For Fiscal Year 2025, the District paid \$36,872 to the THIS Fund, which was 100% of the required contribution.

## **BOND RATINGS**

S&P is expected to assign the Bonds an insured rating of AA (Stable Outlook) based on the Policy to be issued by AG at the time of issuance and delivery of the Bonds. S&P has assigned the Bonds an underlying rating of “A” (Stable Outlook). These ratings reflect only the views of S&P. An explanation of the methodology for such ratings may be obtained from S&P. Certain information concerning the Bonds and the District not included in this Official Statement was furnished to S&P and AG by the District. There is no assurance that the ratings will be maintained for any given period of time or that such ratings will not be changed by S&P if, in such rating agency’s judgment, circumstances so warrant. Any downward change in or withdrawal of the ratings may have an adverse effect on the market price of the Bonds.

Except as may be required by the Undertaking described below under the heading “CONTINUING DISCLOSURE”, the form of which is attached hereto as APPENDIX C, neither the District nor the Underwriter undertakes responsibility to bring to the attention of the owners of the Bonds any proposed change in or withdrawal of the ratings or to oppose any such revision or withdrawal.

## **TAX MATTERS**

### **THE TAX-EXEMPT BONDS**

Federal tax law contains a number of requirements and restrictions which apply to the Tax-Exempt Bonds, including investment restrictions, periodic payments of arbitrage profits to the United States, requirements regarding the proper use of bond proceeds and the facilities financed therewith, and certain other matters. The District has covenanted to comply with all requirements that must be satisfied in order for the interest on the Tax-Exempt Bonds to be excludible from gross income for federal income tax purposes. Failure to comply with certain of such covenants could cause interest on the Tax-Exempt Bonds to become includible in gross income for federal income tax purposes retroactively to the date of issuance of the Tax-Exempt Bonds.

Subject to the District’s compliance with the above-referenced covenants, under present law, in the opinion of Bond Counsel, interest on the Tax-Exempt Bonds is excludible from the gross income of the owners thereof for federal income tax purposes and is not includible as an item of tax preference in computing the federal alternative minimum tax for individuals under the Code. Interest on the Tax-Exempt Bonds may affect the corporate alternative minimum tax for certain corporations.

In rendering its opinion, Bond Counsel will rely upon certifications of the District with respect to certain material facts within the District’s knowledge. Bond Counsel’s opinion represents its legal judgment based upon its review of the law and the facts that it deems relevant to render such opinion and is not a guarantee of a result.

Ownership of the Tax-Exempt Bonds may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, corporations subject to the branch

profits tax, financial institutions, certain insurance companies, certain S corporations, individual recipients of Social Security or Railroad Retirement benefits and taxpayers who may be deemed to have incurred (or continued) indebtedness to purchase or carry tax-exempt obligations. Prospective purchasers of the Tax-Exempt Bonds should consult their tax advisors as to applicability of any such collateral consequences.

The issue price for original issue discount (as further discussed below) and market discount purposes (the “*OID Issue Price*”) for each maturity of the Tax-Exempt Bonds is the price at which a substantial amount of such maturity of the Tax-Exempt Bonds is first sold to the public (excluding bond houses and brokers and similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers). The *OID Issue Price* of a maturity of the Tax-Exempt Bonds may be different from the price set forth, or the price corresponding to the yield set forth, on the inside cover pages hereof.

If the *OID Issue Price* of a maturity of the Tax-Exempt Bonds is less than the principal amount payable at maturity, the difference between the *OID Issue Price* of each such maturity, if any, of the Tax-Exempt Bonds (the “*OID Bonds*”) and the principal amount payable at maturity is original issue discount.

For an investor who purchases an *OID Bond* in the initial public offering at the *OID Issue Price* for such maturity and who holds such *OID Bond* to its stated maturity, subject to the condition that the District complies with the covenants discussed above, (a) the full amount of original issue discount with respect to such *OID Bond* constitutes interest which is excludible from the gross income of the owner thereof for federal income tax purposes; (b) such owner will not realize taxable capital gain or market discount upon payment of such *OID Bond* at its stated maturity; (c) such original issue discount is not included as an item of tax preference in computing the alternative minimum tax for individuals under the Code; and (d) the accretion of original issue discount in each year may result in certain collateral federal income tax consequences in each year even though a corresponding cash payment may not be received until a later year. Based upon the stated position of the Department under State income tax law, accreted original issue discount on such *OID Bonds* is subject to taxation as it accretes, even though there may not be a corresponding cash payment until a later year. Owners of *OID Bonds* should consult their own tax advisors with respect to the state and local tax consequences of original issue discount on such *OID Bonds*.

Owners of Tax-Exempt Bonds who dispose of Tax-Exempt Bonds prior to the stated maturity (whether by sale, redemption or otherwise), purchase Tax-Exempt Bonds in the initial public offering, but at a price different from the *OID Issue Price* or purchase Tax-Exempt Bonds subsequent to the initial public offering should consult their own tax advisors.

If a Tax-Exempt Bond is purchased at any time for a price that is less than the Tax-Exempt Bond’s stated redemption price at maturity or, in the case of an *OID Bond*, its *OID Issue Price* plus accreted original issue discount (the “*Revised Issue Price*”), the purchaser will be treated as having purchased a Tax-Exempt Bond with market discount subject to the market discount rules of the Code (unless a statutory *de minimis* rule applies). Accrued market discount is treated as taxable ordinary income and is recognized when a Tax-Exempt Bond is disposed of (to the extent such accrued discount does not exceed gain realized) or, at the purchaser’s election, as it accrues. Such

treatment would apply to any purchaser who purchases an OID Bond for a price that is less than its Revised Issue Price. The applicability of the market discount rules may adversely affect the liquidity or secondary market price of such Tax-Exempt Bond. Purchasers should consult their own tax advisors regarding the potential implications of market discount with respect to the Tax-Exempt Bonds.

An investor may purchase a Tax-Exempt Bond at a price in excess of its stated principal amount. Such excess is characterized for federal income tax purposes as “bond premium” and must be amortized by an investor on a constant yield basis over the remaining term of the Tax-Exempt Bond in a manner that takes into account potential call dates and call prices. An investor cannot deduct amortized bond premium relating to a tax-exempt bond. The amortized bond premium is treated as a reduction in the tax-exempt interest received. As bond premium is amortized, it reduces the investor’s basis in the Tax-Exempt Bond. Investors who purchase a Tax-Exempt Bond at a premium should consult their own tax advisors regarding the amortization of bond premium and its effect on the Tax-Exempt Bond’s basis for purposes of computing gain or loss in connection with the sale, exchange, redemption or early retirement of the Tax-Exempt Bond.

There are or may be pending in Congress legislative proposals, including some that carry retroactive effective dates, that, if enacted, could alter or amend the federal tax matters referred to above or affect the market value of the Tax-Exempt Bonds. It cannot be predicted whether or in what form any such proposal might be enacted or whether, if enacted, it would apply to bonds issued prior to enactment. Prospective purchasers of the Tax-Exempt Bonds should consult their own tax advisors regarding any pending or proposed federal tax legislation. Bond Counsel expresses no opinion regarding any pending or proposed federal tax legislation.

The Service has an ongoing program of auditing tax-exempt obligations to determine whether, in the view of the Service, interest on such tax-exempt obligations is includible in the gross income of the owners thereof for federal income tax purposes. It cannot be predicted whether or not the Service will commence an audit of the Tax-Exempt Bonds. If an audit is commenced, under current procedures the Service may treat the District as a taxpayer and the Tax-Exempt Bondholders may have no right to participate in such procedure. The commencement of an audit could adversely affect the market value and liquidity of the Tax-Exempt Bonds until the audit is concluded, regardless of the ultimate outcome.

Payments of interest on, and proceeds of the sale, redemption or maturity of, tax-exempt obligations, including the Tax-Exempt Bonds, are in certain cases required to be reported to the Service. Additionally, backup withholding may apply to any such payments to any Tax-Exempt Bond owner who fails to provide an accurate Form W-9 Request for Taxpayer Identification Number and Certification, or a substantially identical form, or to any Tax-Exempt Bond owner who is notified by the Service of a failure to report any interest or dividends required to be shown on federal income tax returns. The reporting and backup withholding requirements do not affect the excludability of such interest from gross income for federal tax purposes.

Interest on the Tax-Exempt Bonds is not exempt from present State income taxes. Ownership of the Tax-Exempt Bonds may result in other state and local tax consequences to



certain taxpayers. Bond Counsel expresses no opinion regarding any such collateral consequences arising with respect to the Tax-Exempt Bonds. Prospective purchasers of the Tax-Exempt Bonds should consult their tax advisors regarding the applicability of any such state and local taxes.

#### THE TAXABLE BONDS

Interest on the 2026C Bonds is includible in gross income of the owners thereof for federal income tax purposes. Ownership of the 2026C Bonds may result in other federal income tax consequences to certain taxpayers. Holders of the 2026C Bonds should consult their tax advisors with respect to the inclusion of interest on the 2026C Bonds in gross income for federal income tax purposes and any collateral tax consequences.

Interest on the 2026C Bonds is not exempt from present State income taxes. Ownership of the 2026C Bonds may result in other state and local tax consequences to certain taxpayers. Bond Counsel expresses no opinion regarding any such collateral consequences arising with respect to the 2026C Bonds. Prospective purchasers of the 2026C Bonds should consult their tax advisors regarding the applicability of any such state and local taxes.

#### QUALIFIED TAX-EXEMPT OBLIGATIONS

Subject to the District's compliance with certain covenants, in the opinion of Bond Counsel, the Tax-Exempt Bonds are "qualified tax-exempt obligations" under the small issuer exception provided under Section 265(b)(3) of the Code, which affords banks and certain other financial institutions more favorable treatment of their deduction for interest expense than would otherwise be allowed under Section 265(b)(2) of the Code.

#### CONTINUING DISCLOSURE

The District will enter into a Continuing Disclosure Undertaking (the "*Undertaking*") for the benefit of the beneficial owners of the Bonds to send certain information annually and to provide notice of certain events to the Municipal Securities Rulemaking Board (the "*MSRB*") pursuant to the requirements of the Rule. No person, other than the District, has undertaken, or is otherwise expected, to provide continuing disclosure with respect to the Bonds. The information to be provided on an annual basis, the events which will be noticed on an occurrence basis and a statement of other terms of the Undertaking, including termination, amendment and remedies, are set forth in the form of the Undertaking, attached hereto as APPENDIX C.

The District has implemented the March, 2019, update (Issue 100) of the Illinois Association of School Boards' Policy Reference Education Subscription Service (PRESS) that includes disclosure policies and procedures as 4.40-AP, Preparing and Updating Disclosures. The policies specifically include additional procedures to be followed by the District in relation to the two new reportable events required by the Rule for undertakings entered into on and after February 27, 2019.

The District timely filed its audited financial statements for Fiscal Year 2023. The audited financial statements filed for Fiscal Year 2023, however, were incomplete. The District failed to file its audited financial statements for Fiscal Year 2021 and did not timely file its audited financial statements for Fiscal Year 2022. A failure by the District to comply with the Undertaking will not constitute a default under the Bond Resolutions and beneficial owners of the Bonds are limited to the remedies described in the Undertaking. The District must report any failure to comply with the Undertaking in accordance with the Rule. Any broker, dealer or municipal securities dealer must consider such report before recommending the purchase or sale of the Bonds in the secondary market. Consequently, such a failure may adversely affect the transferability and liquidity of the Bonds and their market price.

### **AUDITED FINANCIAL STATEMENTS**

The audited financial statements of the District for Fiscal Year 2025 (the “*Audit*”), contained in APPENDIX A, including the independent auditor’s report accompanying the Audit, have been prepared by F.E.W. CPAs, Columbia, Illinois (the “*Auditor*”), and approved by formal action of the Board. The District has not requested the Auditor to update information contained in the Audit nor has the District requested that the Auditor consent to the use of the Audit in this Official Statement. Other than as expressly set forth in this Official Statement, the financial information contained in the Audit has not been updated since the date of the Audit. The inclusion of the Audit in this Official Statement in and of itself is not intended to demonstrate the fiscal condition of the District since the date of the Audit.

### **BOOK-ENTRY ONLY SYSTEM**

DTC will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond certificate will be issued for each maturity of each series of the Bonds, in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Exchange Act. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“*Direct Participants*”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“*DTCC*”). DTCC is the holding company for DTC,

National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("*Indirect Participants*"). DTC has an S&P rating of "AA+". The DTC Rules applicable to its Participants are on file with the SEC. More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com).

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("*Beneficial Owner*") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the Registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's MMI

Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the District as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and dividend payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detailed information from the District or Registrar, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Registrar, or the District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the District or the Registrar, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the District or the Registrar. Under such circumstances, in the event that a successor depository is not obtained, Bond certificates are required to be printed and delivered.

The District may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from DTC, and the District takes no responsibility for the accuracy thereof.

The District will have no responsibility or obligation to any Securities Depository, any Participants in the Book-Entry System or the Beneficial Owners with respect to (a) the accuracy of any records maintained by the Securities Depository or any Participant; (b) the payment by the Securities Depository or by any Participant of any amount due to any Beneficial Owner in respect of the principal amount or redemption price of, or interest on, any Bonds; (c) the delivery of any notice by the Securities Depository or any Participant; (d) the selection of the Beneficial Owners to receive payment in the event of any partial redemption of the Bonds; or (e) any other action taken by the Securities Depository or any Participant.

#### **CERTAIN LEGAL MATTERS**

Certain legal matters incident to the authorization, issuance and sale of the Bonds are subject to the approving legal opinion of Chapman and Cutler LLP, Chicago, Illinois ("*Chapman and Cutler*"), Bond Counsel, who has been retained by, and acts as, Bond Counsel to the District.

Chapman and Cutler has also been retained by the District to serve as Disclosure Counsel to the District with respect to the Bonds. Although as Disclosure Counsel to the District, Chapman and Cutler has assisted the District with certain disclosure matters, Chapman and Cutler has not undertaken to independently verify the accuracy, completeness or fairness of any of the statements contained in this Official Statement or other offering material related to the Bonds and does not guarantee the accuracy, completeness or fairness of such information. Chapman and Cutler's engagement as Disclosure Counsel was undertaken solely at the request and for the benefit of the District, to assist it in discharging its responsibility with respect to this Official Statement, and not for the benefit of any other person (including any person purchasing Bonds from the Underwriter), and did not include any obligation to establish or confirm factual matters, forecasts, projections, estimates or any other financial or economic information in connection therewith. Further, Chapman and Cutler makes no representation as to the suitability of the Bonds for investment by any investor.

#### **NO LITIGATION**

No litigation is now pending or threatened restraining the issuance, sale, execution or delivery of the Bonds, or in any way contesting or affecting the validity or enforceability of the Bonds or any proceedings of the District taken with respect to the issuance or sale thereof. A certificate to this effect will be delivered by the District with the other customary closing papers when the Bonds are delivered.

#### **UNDERWRITING**

Pursuant to the terms of a Bond Purchase Agreement (the "*Agreement*") between the District and Stifel, Nicolaus & Company, Incorporated, St. Louis, Missouri (the "*Underwriter*" or "*Stifel*"), the Underwriter has agreed to purchase the 2026A Bonds at an aggregate purchase price of \$ \_\_\_\_\_. Such purchase price will produce an underwriting spread of \_\_\_\_% of the principal amount of the 2026A Bonds. Pursuant to the terms of the Agreement, the Underwriter has also agreed to purchase the 2026B Bonds at an aggregate purchase price of \$ \_\_\_\_\_. Such purchase price will produce an underwriting spread of \_\_\_\_% of the principal amount of the 2026B Bonds. Pursuant to the terms of the Agreement, the Underwriter has also agreed to purchase the 2026C Bonds at an aggregate purchase price of \$ \_\_\_\_\_. Such purchase price will produce an underwriting spread of \_\_\_\_% of the principal amount of the 2026C Bonds. The Agreement provides that the obligation of the Underwriter is subject to certain conditions precedent and that the Underwriter will be obligated to purchase all of the Bonds if any of the Bonds are purchased. The Bonds may be offered and sold to certain dealers (including dealers depositing such Bonds into investment trusts, accounts or funds) and others at prices different than the initial public offering price. After the initial public offering, the public offering price of the Bonds may be changed from time to time by the Underwriter.

Stifel and its affiliates comprise a full service financial institution engaged in activities which may include sales and trading, commercial and investment banking, advisory, investment management, investment research, principal investment, hedging, market making, brokerage and other financial and non-financial activities and services. Stifel and its affiliates may have provided,

and may in the future provide, a variety of these services to the District and to persons and entities with relationships with the District, for which they received or will receive customary fees and expenses.

In the ordinary course of these business activities, Stifel and its affiliates may purchase, sell or hold a broad array of investments and actively traded securities, derivatives, loans and other financial instruments for their own account and for the accounts of their customers, and such investment and trading activities may involve or relate to assets, securities and/or instruments of the District (directly, as collateral securing other obligations or otherwise) and/or persons and entities with relationships with the District.

Stifel and its affiliates may also communicate independent investment recommendations, market color or trading ideas and/or publish or express independent research views in respect of such assets, securities or instruments and may at any time hold, or recommend to clients that they should acquire such assets, securities and instruments. Such investment and securities activities may involve securities and instruments of the District.

### **AUTHORIZATION**

This Official Statement has been approved by the District for distribution to prospective purchasers of the Bonds. The Board, acting through authorized officers, will provide to the Underwriter at the time of delivery of the Bonds, a certificate confirming that, to the best of its knowledge and belief, this Official Statement, together with any supplements thereto, as of the date hereof, and at the time of delivery of the Bonds, was true and correct in all material respects and did not at any time contain an untrue statement of a material fact or omit to state a material fact required to be stated where necessary to make the statements therein in light of the circumstances under which they were made, not misleading.

/s/

\_\_\_\_\_  
Superintendent

Community Unit School District Number 139,  
Randolph County, Illinois

\_\_\_\_\_, 2026

## **EXHIBITS**

Exhibit A shows the District's recent financial history. Exhibit B provides information on the District's Fiscal Year 2026 budget. Exhibit C provides information on the general fund revenue sources of the District.



**EXHIBIT A — COMBINED STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE, FISCAL YEARS ENDED JUNE 30, 2021-2025**

	Ed <sup>(1)</sup>	O&M	DEBT SERVICE	TRANS	IMRF	CAP PROJECTS	WORKING CASH	TORT	FIRE	TOTAL
Beginning Balance	\$ 1,746,235	\$ 76,814	\$ 834,226	\$ 228,035	\$ 69,226	\$ 549,949	\$ 323,246	\$ 46,851	\$ 535,875	\$ 4,410,457
Revenues	8,032,734	878,895	700,428	549,838	269,408	641,209	44,062	220,243	0	11,336,817
Expenditures	7,733,985	694,489	860,933	594,468	267,711	283,130	0	154,891	332,857	10,922,464
Other Sources (Uses)	0	0	0	0	0	0	0	0	0	0
Ending Balance, 6/30/21	\$ 2,044,984	\$ 261,220	\$ 673,721	\$ 183,405	\$ 70,923	\$ 908,028	\$ 367,308	\$112,203	\$ 203,018	\$ 4,824,810
Beginning Balance	\$ 2,044,984	\$ 261,220	\$ 673,721	\$ 183,405	\$ 70,923	\$ 908,028	\$ 367,308	\$112,203	\$ 203,018	\$ 4,824,810
Revenues	10,228,852	686,967	782,939	597,583	256,564	784,724	44,632	194,552	0	13,576,813
Expenditures	8,614,112	834,332	4,333,146	700,449	234,559	275,817	0	162,559	0	15,154,974
Other Sources (Uses)	0	0	3,370,759	0	0	0	750,000	0	0	4,120,759
Ending Balance, 6/30/22	\$ 3,659,724	\$ 113,855	\$ 494,273	\$ 80,539	\$ 92,928	\$1,416,935	\$1,161,940	\$144,196	\$ 203,018	\$ 7,367,408
Beginning Balance	\$ 3,662,042	\$ 113,855	\$ 494,273	\$ 80,539	\$ 92,928	\$1,416,935	\$1,161,940	\$144,196	\$ 203,018	\$ 7,369,726
Revenues	9,731,568	956,940	780,951	809,335	504,615	776,343	46,936	335,512	200,000	14,142,200
Expenditures	9,657,833	923,329	742,103	764,929	302,729	292,651	0	164,195	0	12,847,769
Other Sources (Uses)	0	0	0	0	0	0	0	0	0	0
Ending Balance, 6/30/23	\$ 3,735,777	\$ 147,466	\$ 533,121	\$ 124,945	\$294,814	\$1,900,627	\$1,208,876	\$315,513	\$ 403,018	\$ 8,664,157
Beginning Balance	\$ 3,735,777	\$ 147,466	\$ 533,120	\$ 124,946	\$294,814	\$1,900,627	\$1,208,876	\$315,512	\$ 403,018	\$ 8,664,156
Revenues	11,966,126	1,045,666	789,607	1,135,572	256,312	850,191	76,116	152,574	8,836	16,281,000
Expenditures	10,136,284	1,113,132	739,594	1,200,598	352,402	2,244,749	0	245,993	0	16,032,752
Net Transfers	0	0	0	0	0	800,000 <sup>(2)</sup>	(800,000) <sup>(2)</sup>	0	0	0
Other Sources (Uses)	0	0	0	0	0	0	0	0	0	0
Ending Balance, 6/30/24	\$ 5,565,619	\$ 80,000	\$ 583,133	\$ 59,920	\$198,724	\$1,306,069	\$ 484,992	\$222,093	\$ 411,854	\$ 8,912,404
Beginning Balance	\$ 5,565,619	\$ 80,000	\$ 583,133	\$ 59,920	\$198,724	\$1,306,069	\$ 484,992	\$222,093	\$ 411,854	\$ 8,912,404
Revenues	9,150,949 <sup>(3)</sup>	1,685,421	793,980	1,439,533	456,728	2,172,116	62,912	135,162	9,620	15,906,421
Expenditures	10,944,773	1,208,304	761,108	1,299,197	426,973	5,734,321 <sup>(4)</sup>	0	301,097	0	20,675,773
Other Sources (Uses)	0	0	0	0	0	6,370,046 <sup>(4)</sup>	0	0	1,805,112	8,175,158
Ending Balance, 6/30/25	\$ 3,771,795	\$ 557,117	\$ 616,005	\$ 200,256	\$228,479	\$4,113,910	\$ 547,904	\$ 56,158	\$2,226,586	\$12,318,210

Source: The audited financial statements of the District for Fiscal Years 2021 through 2025.

(1) Excludes payments made by the State to TRS with respect to District employees, commonly referred to as “on-behalf” payments and student activity funds.

(2) Funds were abated to begin work on the Chester Early childhood Center Project.

(3) The decline in the District’s education fund revenues is due in large part to a reallocation of the District’s EBF receipts. Though the District’s overall EBF receipts increased for Fiscal Year 2025 relative to Fiscal Year 2024, the District allocated only \$3.6 million of these funds into the Education fund as opposed to \$5.1 million in Fiscal Year 2024. The largest reallocation was an amount in excess of \$1 million being deposited into the District’s capital projects fund for work on various District projects including, but not limited to, the Chester Early Childhood Center project. In addition, the District’s CPPRT revenues declined year-over-year, and the District’s investment revenues declined from \$428,000 to \$217,000 as the District liquidated certain of its investments.

(4) Reflects receipt of the proceeds of the 2024B Bonds and the expenditure of such funds, and other funds on hand, on the Chester Early Childhood Center project.

## EXHIBIT B — BUDGET, FISCAL YEAR ENDING JUNE 30, 2026

	ED <sup>(1)</sup>	O&M	DEBT SERVICE	TRANS	IMRF	CAP PROJECTS	WORKING CASH	TORT	FIRE	TOTAL
FUND BALANCE AS OF 7/1/25	\$ 3,850,789	\$ 557,116	\$ 616,005	\$ 200,255	\$203,820	\$4,113,909	\$547,904	\$ 56,157	\$2,226,586	\$12,372,541
ESTIMATED REVENUE	11,504,579	550,668	937,318	1,398,745	388,757	794,875	61,819	138,813	5,345	15,780,919
ESTIMATED EXPENDITURES	10,391,752 <sup>(2)</sup>	1,004,081	100,000	1,465,081	429,885	1,329,747	0	52,009	637,586	15,410,141
OTHER/BOND PROCEEDS	0	0	0	0	0	0	0	0	0	0
ESTIMATED FUND BALANCE 6/30/26	\$ 4,963,616	\$ 103,703	\$1,453,323	\$ 133,920	\$162,692	\$3,579,037	\$609,723	\$142,961	\$1,594,345	\$12,743,320

Source: Budget for the District for Fiscal Year 2026. The beginning fund balances were estimated by the District at the time the budget was adopted. Consequently, such balances may not match the ending fund balances set forth in the District's audited financial statements for Fiscal Year 2025.

- (1) Excludes payments made by the State to TRS with respect to District employees, commonly referred to as "on-behalf" payments.
- (2) Includes the effects of a significant increase under the most recent teacher contract (with some teachers receiving as much as a 6% increase) to offset the lack of increases during the time the District implemented a three-year salary freeze. Teachers that were not with the District during the salary freeze received an increase of between 3 and 4% during this last year of the contract.

**EXHIBIT C — GENERAL FUND REVENUE SOURCES,  
FISCAL YEARS ENDED JUNE 30, 2021-2025**

	YEAR ENDED JUNE 30, 2021	YEAR ENDED JUNE 30, 2022	YEAR ENDED JUNE 30, 2023	YEAR ENDED JUNE 30, 2024	YEAR ENDED JUNE 30, 2025
Local Sources	30.19%	29.62%	32.77%	27.52%	32.76%
State Sources	58.02%	52.71%	50.25%	48.27%	48.69%
Federal Sources	<u>11.79%</u>	<u>17.67%<sup>(1)</sup></u>	<u>16.98%<sup>(1)</sup></u>	<u>24.21%<sup>(1)</sup></u>	<u>18.56%<sup>(1)</sup></u>
 TOTAL	 100.00%	 100.00%	 100.00%	 100.00%	 100.00%

---

Source: The audited financial statements of the District for Fiscal Years 2021 through 2025. For purposes of this Exhibit, the General Fund includes the Educational Fund and the Operations and Maintenance Fund.

- (1) Increase in Federal Sources is due in large part to the District's receipt of federal COVID-19 funds. See "STATE AID—Federal COVID-19 Funds Distributed to the District" herein.

**APPENDIX A**

**AUDITED FINANCIAL STATEMENTS OF THE  
DISTRICT FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

**CHESTER COMMUNITY UNIT SCHOOL  
DISTRICT 139  
CHESTER, ILLINOIS**

**AUDITED FINANCIAL STATEMENTS  
ANNUAL FINANCIAL REPORT**

For the Year Ended June 30, 2025

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## INDEPENDENT AUDITORS' REPORT

To the Board of Education of  
Chester Community Unit School District 139

### **Report on the Audit of the Financial Statements**

#### **Opinions**

We have audited the accompanying modified cash basis financial statements of the governmental activities and each major fund of the Chester Community Unit School District 139, as of and for the fiscal year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Chester Community Unit School District 139's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective modified cash basis financial position of the governmental activities, and each major fund of the Chester Community Unit School District 139, as of June 30, 2025, and the respective changes in modified cash basis financial position, and where applicable, cash flows thereof for the year then ended in accordance with the modified cash basis of accounting described in Note 1.

#### **Basis for Opinions**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Chester Community Unit School District 139, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### **Emphasis of Matter—Basis of Accounting**

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

#### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting described in Note 1, and for determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.



## **Auditors' Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Chester Community Unit School District 139's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Chester Community Unit School District 139's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Chester Community Unit School District 139's basic financial statements. The accompanying consolidated year-end financial report and schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the consolidated year-end financial report and schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### ***Other Information***

Management is responsible for the other information included in the annual report. The other information comprises the budgetary comparison information and related notes, combining schedules of assets, liabilities, and fund balances, and combining schedules of revenues, expenditures, and changes in fund balances but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated October 21, 2025, on our consideration of the Chester Community Unit School District 139's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Chester Community Unit School District 139's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Chester Community Unit School District 139's internal control over financial reporting and compliance.

***F.E.W. CPAs***

F.E.W. CPAs  
Columbia, Illinois  
November 14, 2025

CHESTER COMMUNITY UNIT SCHOOL DISTRICT 139  
STATEMENT OF NET POSITION - MODIFIED CASH BASIS  
JUNE 30, 2025

	Governmental Activities
	<hr/>
ASSETS	
Cash and cash equivalents	\$ 9,432,084
Certificates of deposit	<u>3,118,547</u>
Total assets	<u><u>\$ 12,550,631</u></u>
LIABILITIES	
None	<u>\$ -</u>
Total liabilities	<u><u>\$ -</u></u>
NET POSITION	
Restricted	
Student activity	\$ 232,421
Transportation	200,256
Municipal retirement and social security	228,479
Working cash	547,904
Tort immunity	56,158
Debt service	616,005
Site construction	4,113,910
Fire and safety	2,226,586
Unassigned	<u>4,328,912</u>
Total net position	<u><u>\$ 12,550,631</u></u>

The notes to the financial statements are an integral part of this statement

CHESTER COMMUNITY UNIT SCHOOL DISTRICT 139  
STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS  
FOR THE YEAR ENDED JUNE 30, 2025

FUNCTIONS/PROGRAMS	Expenses	Charges for Services and Grants	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental activities:					
Instruction					
Regular programs	\$ 4,498,619	\$ -	\$ 1,496,424	\$ -	\$ (3,002,195)
Special education programs	1,331,044	-	498,523	-	(832,521)
Other instructional programs	1,699,005	-	8,627	-	(1,690,378)
Support services					
Pupils	449,399	225,250	-	-	(224,149)
Instructional staff	421,787	-	-	-	(421,787)
General administration	620,753	-	-	-	(620,753)
School administration	722,927	-	-	-	(722,927)
Business services	8,905,774	210,530	1,143,022	220,000	(7,332,222)
Community services	394,265	-	-	-	(394,265)
Nonprogrammed charges	775,799	-	-	-	(775,799)
Debt service					
Interest and fiscal charges	301,643	-	-	-	(301,643)
Principal	785,000	-	-	-	(785,000)
Total governmental activities	<u>\$ 20,906,015</u>	<u>\$ 435,780</u>	<u>\$ 3,146,596</u>	<u>\$ 220,000</u>	<u>(17,103,639)</u>
General revenues:					
Property taxes, levied for general purpose					3,445,397
Property taxes, levied for debt service					780,359
Replacement taxes					284,251
Facility sales and occupation tax					788,256
Interest income					326,970
Grants and contributions not restricted to specific purposes					6,400,393
Bond proceeds					8,060,000
Premium on bonds sold					115,158
Other					303,669
Total general revenues					<u>20,504,453</u>
Changes in net position					3,400,814
Net position - beginning					9,149,817
Net position - ending					<u>\$ 12,550,631</u>

The notes to the financial statements are an integral part of this statement

CHESTER COMMUNITY UNIT SCHOOL DISTRICT 139  
STATEMENT OF ASSETS, LIABILITIES, AND  
FUND BALANCES - MODIFIED CASH BASIS  
GOVERNMENTAL FUNDS  
JUNE 30, 2025

		Special Revenue Funds																
		Transportation	Municipal Retirement and Social Security Fund	Working Cash Fund	Tort Immunity Fund	Debt Service Fund	Capital Projects Fund	Total Governmental Funds										
ASSETS		General Fund	Fund															
Assets																		
Cash and cash equivalents	\$	1,442,786	\$	200,256	\$	228,479	\$	547,904	\$	56,158	\$	616,005	\$	6,340,496	\$	9,432,084		
Certificates of deposit		3,118,547		-		-		-		-		-		-		3,118,547		
Total assets		\$	4,561,333	\$	200,256	\$	228,479	\$	547,904	\$	56,158	\$	616,005	\$	6,340,496	\$	12,550,631	
LIABILITIES AND FUND BALANCES																		
Liabilities																		
None	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
Total liabilities		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fund balances																		
Restricted		232,421	200,256	228,479	547,904	56,158	616,005	6,340,496	8,221,719									
Unassigned		4,328,912	-	-	-	-	-	-	4,328,912									
Total fund balances		4,561,333	200,256	228,479	547,904	56,158	616,005	6,340,496	12,550,631									
Total liabilities and fund balances		\$	4,561,333	\$	200,256	\$	228,479	\$	547,904	\$	56,158	\$	616,005	\$	6,340,496	\$	12,550,631	

The notes to the financial statements are an integral part of this statement

CHESTER COMMUNITY UNIT SCHOOL DISTRICT 139  
RECONCILIATION OF THE COMBINED STATEMENT OF ASSETS, LIABILITIES,  
AND FUND BALANCES - MODIFIED CASH BASIS - GOVERNMENTAL FUNDS  
TO THE STATEMENT OF NET POSITION - MODIFIED CASH BASIS  
JUNE 30, 2025

Total fund balance - governmental funds	\$ 12,550,631
Amounts reported for <i>governmental activities</i> in the statement of net position are different than amounts reported in the statement of assets, liabilities and fund balances for governmental funds due to the following items:	
None	<u>-</u>
Net position of governmental activities	<u><u>\$ 12,550,631</u></u>

The notes to the financial statements are an integral part of this statement

CHESTER COMMUNITY UNIT SCHOOL DISTRICT 139  
STATEMENT OF REVENUES RECEIVED, EXPENDITURES DISBURSED, AND CHANGES  
IN FUND BALANCES - MODIFIED CASH BASIS - GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2025

	Special Revenue Funds							
	General Fund	Transportation Fund	Municipal Retirement and Social Security Fund	Working Cash Fund	Tort Immunity Fund	Debt Service Fund	Capital Projects Fund	Total Governmental Funds
<b>REVENUES</b>								
Local sources								
Property taxes	\$ 2,750,014	\$ 215,711	\$ 298,114	\$ 51,584	\$ 129,974	\$ 780,359	\$ -	\$ 4,225,756
Mobile home taxes	-	-	-	-	-	-	-	-
Replacement tax	274,251	-	10,000	-	-	-	-	284,251
Sales tax	-	-	-	-	-	-	788,256	788,256
Interest earned	250,588	1,503	4,614	11,328	5,188	13,621	40,128	326,970
Food services	72,157	-	-	-	-	-	-	72,157
Other local	427,794	-	-	-	-	-	239,499	667,293
State sources								
Unrestricted grants-in-aid	4,575,613	641,927	144,000	-	-	-	1,038,853	6,400,393
Restricted grants-in-aid	700,421	580,392	-	-	-	-	75,000	1,355,813
Federal sources								
Restricted grants-in-aid	2,010,782	-	-	-	-	-	-	2,010,782
Total direct revenues	11,061,620	1,439,533	456,728	62,912	135,162	793,980	2,181,736	16,131,671
Revenues for on-behalf sources	2,787,302	-	-	-	-	-	-	2,787,302
Total revenues	13,848,922	1,439,533	456,728	62,912	135,162	793,980	2,181,736	18,918,973
<b>EXPENDITURES</b>								
Instruction								
Regular programs	4,418,232	-	80,387	-	-	-	-	4,498,619
Special education programs	1,273,933	-	57,111	-	-	-	-	1,331,044
Other instructional programs	1,659,065	-	39,940	-	-	-	-	1,699,005
Total instruction	7,351,230	-	177,438	-	-	-	-	7,528,668
Support services								
Pupils	428,433	-	20,966	-	-	-	-	449,399
Instructional staff	409,438	-	12,349	-	-	-	-	421,787
General administration	309,810	-	9,846	-	301,097	-	-	620,753
School administration	688,474	-	34,453	-	-	-	-	722,927
Business services	2,062,638	1,299,197	135,153	-	-	-	5,408,786	8,905,774
Total support services	3,898,793	1,299,197	212,767	-	301,097	-	5,408,786	11,120,640
Community services	357,497	-	36,768	-	-	-	-	394,265
Nonprogrammed charges	775,799	-	-	-	-	-	-	775,799
Debt service	-	-	-	-	-	761,108	325,535	1,086,643
Total direct expenditures	12,383,319	1,299,197	426,973	-	301,097	761,108	5,734,321	20,906,015
Disbursements for on-behalf payments	2,787,302	-	-	-	-	-	-	2,787,302
Total expenditures	15,170,621	1,299,197	426,973	-	301,097	761,108	5,734,321	23,693,317
Excess (deficiency) of revenues over expenditures	(1,321,699)	140,336	29,755	62,912	(165,935)	32,872	(3,552,585)	(4,774,344)
<b>OTHER FINANCING SOURCES (USES)</b>								
Debt proceeds	-	-	-	-	-	-	8,060,000	8,060,000
Premum on bonds sold	-	-	-	-	-	-	115,158	115,158
Net change in fund balances	(1,321,699)	140,336	29,755	62,912	(165,935)	32,872	4,622,573	3,400,814
Fund balances, beginning of year	5,883,032	59,920	198,724	484,992	222,093	583,133	1,717,923	9,149,817
Fund balances, end of year	\$ 4,561,333	\$ 200,256	\$ 228,479	\$ 547,904	\$ 56,158	\$ 616,005	\$ 6,340,496	\$ 12,550,631

The notes to the financial statements are an integral part of this statement

CHESTER COMMUNITY UNIT SCHOOL DISTRICT 139  
RECONCILIATION OF THE STATEMENT OF REVENUES RECEIVED, EXPENDITURES DISBURSED,  
AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS - GOVERNMENTAL  
FUNDS TO THE STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS  
FOR THE YEAR ENDED JUNE 30, 2025

Net change in fund balances - governmental funds	\$ 3,400,814
Amounts reported for <i>governmental activities</i> in the statement of activities are different because:	
None	<u>-</u>
Change in net position of governmental activities	<u><u>\$ 3,400,814</u></u>

The notes to the financial statements are an integral part of this statement



CHESTER COMMUNITY UNIT SCHOOL DISTRICT 139  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The District's accounting policies conform to the modified cash basis of accounting as described below. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the District's accounting policies are described below.

Reporting Entity

The Board of Education, comprised of seven elected individuals, is the primary governing authority for the District. As required under the modified cash basis of accounting, these financial statements present the results of the District's cash transactions.

The District has developed criteria to determine whether outside agencies with activities that benefit the District should be included within its financial reporting entity. The criteria for including organizations within the District, as set forth in GASB No. 14, "The Financial Reporting Entity," is financial accountability.

The District is financially accountable for an organization if the District appoints a voting majority of the organization's governing board and (1) the District is able to significantly influence the programs or services performed or provided by the organization; or (2) the District is legally entitled to or can otherwise access the organization's resources; the District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the District is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the District in that the District approved the budget, the issuance of debt or the levying of taxes. The District has no component units.

Government-Wide and Fund Financial Statements

The government-wide financial statements report financial information for the District as a whole. The effect of material interfund activity has been eliminated from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges to external customers. The District does not maintain any business-type activities.

The statement of activities demonstrates the degree to which the direct expenses of a given function, segment or program are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) operating grants and standard revenues that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Major individual governmental funds are reported in separate columns with composite columns for nonmajor funds in the fund financial statements.

The District reports the following major governmental funds:

The General Fund is the District's main operating fund. The fund is used to account for and report all financial resources not accounted for and reported in another fund.

Special Revenue Funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects that are legally restricted to cash disbursements for specified purposes. The major special revenue funds are the Transportation Fund, Municipal Retirement and Social Security Fund, Working Cash Fund, and Tort Immunity Fund.

CHESTER COMMUNITY UNIT SCHOOL DISTRICT 139  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

The Debt Service Fund (Bond and Interest Fund) accounts for and reports financial resources that are restricted, committed, or assigned to expenditure for principal and interest. Debt service funds should be used to report resources if legally mandated. Financial resources that are being accumulated for principal and interest maturing in future years also should be reported in debt service funds.

The Capital Projects Fund accounts for and reports financial resources to be used restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities. The capital project funds are the Fire Prevention and Life Safety Fund and the Site Construction Fund.

The District has no business-type activities.

Fund Accounting

The accounts of the District are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds are maintained consistent with legal and contractual provisions.

Funds are classified into one category: governmental.

Governmental Funds are those through which most governmental functions of the District are financed. The acquisition, use and balances of the District's expendable financial resources and the related liabilities (arising from cash transactions) are accounted for through governmental funds.

The General Fund, which consists of the Education Fund and the Operations, Building and Maintenance Fund, is the main operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund. The Special Education Levy is also included in these funds.

Special Revenue Funds, which include the Transportation Fund, Municipal Retirement and Social Security Fund, and Working Cash Fund, and Tort Immunity Fund are used to account for cash received from specific sources (other than those accounted for in the Debt Service Fund, Capital Projects Fund or Fiduciary Funds) that are legally restricted to cash disbursements for specified purposes. The Working Cash Fund accounts for financial resources held by the District to be used for temporary loans to other funds.

The Debt Service Fund (Bond and Interest Fund) accounts for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs.

The Capital Projects Fund, which includes Fire Prevention and Life Safety Fund and Site Construction Fund, accounts for financial resources to be used for the acquisition or construction of major capital facilities.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus. The government-wide financial statements are reported using the modified cash basis of accounting. The modification to the cash basis are certificates of deposit and unremitted payroll withholdings. Nonexchange transactions, in which the District gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants and donations. Revenue from property taxes, grants and donations are recognized when received consistent with the cash basis of accounting. Governmental fund financial statements are reported using the current financial resources measurement focus and the modified cash basis of accounting, which is described in the previous paragraph.

CHESTER COMMUNITY UNIT SCHOOL DISTRICT 139  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Capital asset acquisitions are reported as expenditures in the governmental funds and the government-wide financial statements. Proceeds from long-term debt and capital lease are reported as other financial sources.

Cash, Cash Equivalents and Certificates of Deposit

The District's cash includes demand deposits. The District considers all highly liquid investments with an original maturity of three months or less to be cash equivalents. Short-term investments are reported at cost which approximates fair value. Cash deposits are reported at carrying amount, which reasonably estimates fair value.

Certificates of deposit held at local banks with an original maturity of more than three months are valued at cost and labeled as certificates of deposit in the financial statements. The District held certificates of deposit as of June 30, 2025.

Capital Assets

Capital assets include property, plant, and equipment. Under the modified cash basis of accounting used by the District, capital acquisitions are not recorded as assets. At the time of purchase, assets are recorded as expenditures disbursed in the Governmental Funds. Depreciation accounting is not considered applicable (except to determine the per capita tuition charge).

Compensated Absences

Sick leave is earned at rate varying between 10 and 40 days per year, depending on employee classification. Any accumulated sick leave is forfeited upon termination of employment other than retirement. Certified and noncertified employees' accumulated sick leave is treated as creditable earnings for IMRF and teachers' retirement upon retirement. Vacation is earned at rates varying between 7 and 22 days per year, depending on employees' classification and length of service.

Sick leave and vacation are considered expenditures in the year paid, thus no liability is recorded.

Common Bank Account

Separate bank accounts are not maintained for all District funds, instead, certain funds maintain their uninvested cash balances in a common checking account with accounting records being maintained to show the portion of the common bank account balance attributable to each participating fund.

Occasionally, certain funds participating in the common bank account will incur overdrafts (deficits) in the account. The overdrafts result from expenditures, which have been approved by the School Board. As of June 30, 2025, there are no such overdrafts.

Long-Term Obligations

In the government-wide financial statements and the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuance are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures. The Education Fund is also used to liquidate long-term liabilities.

Use of Estimates

The preparation of financial statements in conformity with the modified cash basis of accounting used by the District requires management to make estimates and assumptions that affect the reported amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

CHESTER COMMUNITY UNIT SCHOOL DISTRICT 139  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Fund Equity

Fund balance is the difference between assets and liabilities in a Governmental Fund. In accordance with Government Accounting Standards Board 54, Fund Balance Reporting and Government Fund Type Definitions, the following types of fund balances are presented in the Governmental Funds Balance Sheet:

Restricted - the portion of a Governmental Fund's balance that is subject to external enforceable legal restrictions. The following funds have balances that are restricted by Tax Levy, funding source and grant funding: General, Transportation, Municipal Retirement and Social Security, Working Cash, Tort Immunity, Debt Service and Capital Projects.

Unassigned - available expendable financial resources in a governmental fund that are not designated for a specific purpose. The following funds comprise the unassigned fund balances: General.

The District uses restricted amounts first when both restricted and unassigned fund balances are available, unless there are legal contracts that prohibit doing this.

Net Position

Net Position represents the difference between assets and liabilities. Net investment in capital assets represents the cost of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any long-term debt used to build or acquire the capital assets. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. All other net position is reported as unrestricted.

When restricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

**NOTE 2 - OTHER POSTEMPLOYMENT BENEFITS**

The District does not provide post-employment health care benefits, therefore no adjustments have been made in the financial statements.

**NOTE 3 - RISK MANAGEMENT - INSURANCE**

The District is exposed to risk of loss through their property ownership, employee injury, and liability of employees' and officials' actions. The District purchases commercial insurance to overcome this risk. There have been no significant reductions in insurance coverage from prior years. Also, there have been no settlement amounts that have exceeded insurance coverage in the last three years. The District is insured under a retrospectively-rated policy for workers' compensation coverage; the initial premium may be adjusted based on actual experience. Adjustments in premiums are recorded when paid or received. During the year ended June 30, 2025, there were no significant adjustments in premiums based on actual experience.

**NOTE 4 - CONTINGENCIES**

Grants

The District has received funding from state and federal grants in the current and prior years, which are subject to audits by the granting agencies. The School Board believes any adjustments that may arise from those audits will not be significant to District operations.

CHESTER COMMUNITY UNIT SCHOOL DISTRICT 139  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025

**NOTE 4 – CONTINGENCIES (continued)**

Legal Matters

The District is subject to various claims and potential litigation arising in the ordinary course of operations. While the outcome of such matters cannot be predicted with certainty, District management and legal counsel are not aware of any pending litigation that would have a material effect on the District's financial statements as of June 30, 2025.

**NOTE 5 - PROPERTY TAXES**

The District's property tax is levied each year on or before the last Tuesday in December on all taxable real property located in the District. The levy was passed by the Board in December 2024. Property taxes attach as an enforceable lien on property as of January 1 and are payable in two installments, generally August and October. The District begins receiving distributions of tax receipts approximately one month after these due dates. Taxes recorded in these financial statements include the 2023 tax levy and prior tax levies.

The following are the tax rate limits permitted by the School Code and by local referendum and the actual rates levied per \$100 of assessed valuation:

	<u>Limit</u>	<u>2024 Levy</u>	<u>2023 Levy</u>
Education	4.0000	1.6144	1.7139
Bond and Interest	As needed	0.6906	0.6242
Tort Immunity	As needed	0.1023	0.1040
Special Education	0.8000	0.0451	0.0410
Operations and Maintenance	0.7500	0.4054	0.4375
Social Security	As needed	0.0395	0.1749
Transportation	As needed	0.1641	0.1725
Municipal Retirement	As needed	0.2260	0.0636
Working Cash	0.05	0.0447	0.0413
Revenue Recapture	As needed	0.0118	0.0073
		<u>3.3439</u>	<u>3.3801</u>
Assessed Valuation		<u>\$ 135,507,195</u>	<u>\$ 124,711,200</u>

**NOTE 6 - DEPOSITS AND INVESTMENTS**

The District is authorized by state statute to make deposits/investments in insured commercial banks, savings and loan institutions, obligations of the United States of America, insured credit union shares, money market funds with portfolios of securities issued or guaranteed by the United States or agreement to repurchase these same obligations, repurchase agreements, short-term commercial paper rated within the highest classifications by at least two standard rating services, and the Illinois Funds Investment Pool. The District does not enter into any reverse repurchase agreements.

The District's policy states that all amounts deposited or investments with financial institutions in excess of any insurance limit shall be collateralized and the preferred method for safekeeping is to have securities registered in the District's name and held by a third-party custodian.

CHESTER COMMUNITY UNIT SCHOOL DISTRICT 139  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025

**NOTE 6 - DEPOSITS AND INVESTMENTS (continued)**

Deposits

At year-end, the carrying amount of the District's deposits totaled \$12,550,631 and bank balances totaled \$13,138,335. Included in this total is \$3,118,547 of certificates of deposit, which are listed as such due to their original maturity.

Illinois Funds - The District does not participate in The Illinois Funds external investment pool, which is available to Custodians of Public Funds, as defined by the Illinois Municipal Code (30 ILCS 235/1). The pool is not registered with the SEC. It is the policy of the Treasurer of the State of Illinois to invest funds pooled by local governments in the Money Market Fund within Illinois Funds in a manner which will provide the highest investment return using authorized instruments, while meeting the daily cash flow demands of participants and conforming to all state statutes governing the investment of public funds. It is the policy of Illinois Funds to operate in a manner consistent with SEC Rule 2a7. The fair value of the position in the pool is the same value as the pool shares.

Custodial Credit Risk - Deposits - For a deposit, custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District's investment policy does not include custodial credit risk requirements. The deposits were not exposed to custodial credit risk for the year ended June 30, 2025.

**NOTE 7 - RETIREMENT FUND COMMITMENTS**

Teacher's Retirement System of the State of Illinois

The employer participates in the Teachers' Retirement System of the State of Illinois (TRS). TRS is a cost-sharing multiple-employer defined benefit pension plan that was created by the Illinois legislature for the benefit of Illinois public school teachers employed outside the city of Chicago. TRS members include all active non-annuitants who are employed by a TRS-covered employer to provide services for which teacher licensure is required. The Illinois Pension Code outlines the benefit provisions of TRS, and amendments to the plan can be made only by legislative action with the Governor's approval. The TRS Board of Trustees is responsible for the System's administration. TRS issues a publicly available financial report that can be obtained at <https://www.trsil.org/financial/acfrs>; by writing to TRS at 2815 W. Washington, PO Box 19253, Springfield, IL 62794; or by calling (888)678-3675.

TRS members are required to contribute 9.0% of their annual covered salary and the state makes employer contributions on behalf of the employer. The contribution requirements of members and the District are established and may be amended by the TRS Board of Trustees. The District's contributions to TRS for the fiscal year ending June 30, 2025 were \$535,688, equal to the required contributions.

Illinois Municipal Retirement Fund

The District's defined benefit pension plan for regular employees provides retirement and disability benefits, post-retirement increases, and death benefits to plan members and beneficiaries. The District's plan is managed by the Illinois Municipal Retirement Fund (IMRF), the administrator of a multi-employer public pension fund. A summary of IMRF's pension benefits is provided in the "Benefits Provided" section of this document. Details of all benefits are available from IMRF. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available Comprehensive Annual Financial Report that includes financial statements, detailed information about the pension plan's fiduciary net position, and required supplementary information. The report is available for download at [www.imrf.org](http://www.imrf.org).

CHESTER COMMUNITY UNIT SCHOOL DISTRICT 139  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025

**NOTE 7 - RETIREMENT FUND COMMITMENTS** (continued)

As set by statute, the District's Regular Plan Members are required to contribute 4.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The District's annual contribution rate for calendar year 2024 was 9.89%. The District's contributions to IMRF for the calendar year ending December 31, 2024, 2023 and 2022 were \$177,992, \$153,302, and \$151,440, respectively, equal to the required contributions.

Social Security

Employees not qualifying for coverage under the Illinois Teacher's Retirement System or the Illinois Municipal Retirement Fund are considered "non-participating employees." These employees and those qualifying for coverage under the Illinois Municipal Retirement Fund are covered under Social Security. The District paid \$185,028, the total required contribution for the current fiscal year.

**NOTE 8 - LEGAL DEBT MARGIN**

Legal Debt Margin

At June 30, 2025, the legal debt margin excludes the Series 2022C and 2024B General Obligation Bonds. Those bond issues are to be paid back via alternate revenue sources and are therefore not included in the final legal debt margin calculation. The legal debt margin was as follows:

ASSESSED VALUATION - 2024 LEVY	\$ 135,507,195
Statutory debt limitation	\$ 18,699,993
13.8% of assessed valuation	
<i>Plus:</i> 2022C and 2024B General Obligation Bonds	8,170,000
<i>Less:</i> Total bonded debt	(12,815,000)
LEGAL DEBT MARGIN	<u>\$ 14,054,993</u>

**NOTE 9 - COMMITMENTS**

Under the modified cash basis of accounting, long-term debt is not recorded as a liability of the District. Therefore, the debt commitments detailed below are not included in the financial statements.

Governmental Activities	Balance June 30, 2024	Additions	Reductions	Balance June 30, 2025	Due Within One Year
Bonded indebtedness	\$ 5,540,000	\$ 8,060,000	\$ 785,000	\$ 12,815,000	\$ 805,000
	<u>\$ 5,540,000</u>	<u>\$ 8,060,000</u>	<u>\$ 785,000</u>	<u>\$ 12,815,000</u>	<u>\$ 805,000</u>

CHESTER COMMUNITY UNIT SCHOOL DISTRICT 139  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025

**NOTE 9 – COMMITMENTS** (continued)

Bonds payable consists of the following at June 30, 2025:

	Original Issue Amount	Maturity Date	Interest Rate	Balance at June 30, 2025
Series 2020	\$ 3,295,000	2029	3.00%	\$ 1,565,000
Series 2022A	750,000	2026	1.65% - 2.25%	50,000
Series 2022B	1,325,000	2030	3.00%	1,325,000
Series 2022C	1,980,000	2036	1.80% - 3.45%	1,815,000
Series 2024A	1,705,000	2032	5.00%	1,705,000
Series 2024B	6,355,000	2044	4.13% - 5.00%	6,355,000
	<u>\$ 18,110,000</u>			<u>\$ 12,815,000</u>

Debt Service Requirements to Maturity

The annual requirements to amortize Series 2020 life safety/refunding bonds are as follows as of June 30, 2025:

Year ending June 30,	Principal	Interest	Total payment
2026	\$ 415,000	\$ 40,725	\$ 455,725
2027	425,000	28,125	453,125
2028	440,000	15,150	455,150
2029	285,000	4,275	289,275
Total	<u>\$ 1,565,000</u>	<u>\$ 88,275</u>	<u>\$ 1,653,275</u>

The annual requirements to amortize Series 2022A working cash bonds are as follows as of June 30, 2025:

Year ending June 30,	Principal	Interest	Total payment
2026	\$ 50,000	\$ 563	\$ 50,563
Total	<u>\$ 50,000</u>	<u>\$ 563</u>	<u>\$ 50,563</u>



CHESTER COMMUNITY UNIT SCHOOL DISTRICT 139  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025

**NOTE 9 – COMMITMENTS** (continued)

The annual requirements to amortize Series 2022B general obligation limited tax refunding school bonds are as follows as of June 30, 2025:

Year ending June 30,	Principal	Interest	Total payment
2026	\$ 200,000	\$ 36,750	\$ 236,750
2027	260,000	29,850	289,850
2028	265,000	21,975	286,975
2029	440,000	11,400	451,400
2030	160,000	2,400	162,400
Total	<u>\$ 1,325,000</u>	<u>\$ 102,375</u>	<u>\$ 1,427,375</u>

The annual requirements to amortize Series 2022C alternate revenue source bonds are as follows as of June 30, 2025:

Year ending June 30,	Principal	Interest	Total payment
2026	\$ 140,000	\$ 52,597	\$ 192,597
2027	145,000	49,282	194,282
2028	150,000	45,630	195,630
2029	155,000	41,625	196,625
2030	160,000	37,252	197,252
2031-2035	685,000	114,559	799,559
2036	380,000	19,665	399,665
Total	<u>\$ 1,815,000</u>	<u>\$ 360,610</u>	<u>\$ 2,175,610</u>

The annual requirements to amortize Series 2024A general obligation school bonds are as follows as of June 30, 2025:

Year ending June 30,	Principal	Interest	Total payment
2026	\$ 25,000	\$ 123,224	\$ 148,224
2027	135,000	80,625	215,625
2028	-	77,250	77,250
2029	-	77,250	77,250
2030	-	77,250	77,250
2031-2033	1,545,000	92,625	1,637,625
Total	<u>\$ 1,705,000</u>	<u>\$ 528,224</u>	<u>\$ 2,233,224</u>

CHESTER COMMUNITY UNIT SCHOOL DISTRICT 139  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025

**NOTE 9 – COMMITMENTS** (continued)

The annual requirements to amortize Series 2024B alternate revenue source bonds are as follows as of June 30, 2025:

Year ending June 30,	Principal	Interest	Total payment
2026	\$ 130,000	\$ 283,706	\$ 413,706
2027	135,000	277,081	412,081
2028	140,000	270,206	410,206
2029	145,000	263,081	408,081
2030	150,000	255,706	405,706
2031-2035	900,000	1,151,531	2,051,531
2036-2040	2,015,000	815,581	2,830,581
2041-2045	2,740,000	288,841	3,028,841
Total	<u>\$ 6,355,000</u>	<u>\$ 3,605,735</u>	<u>\$ 9,960,735</u>

**NOTE 10 - SUBSEQUENT EVENTS**

Management has evaluated subsequent events through November 14, 2025, the date which the financial statements were available for issue, and no reportable events were noted.

## **Supplemental Information**

CHESTER COMMUNITY UNIT SCHOOL DISTRICT 139  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2025

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title and Major program Designation	CFDA Number (A)	ISBE Project # or Contract # (B)	Receipts/Revenues Year 7/1/23-6/30/24 (C)	Year 7/1/24-6/30/25 (D)	Expenses/Disbursements Year 7/1/23-6/30/24 (E)	Year 7/1/24-6/30/25 (F)	Obligations/ Encumbrances (G)	Final Status (H)	Grant Budget (I)
US DEPARTMENT OF EDUCATION PASSED THROUGH ILLINOIS STATE BOARD OF EDUCATION									
Title I - Low Income - FY23	84.010	23-4300-00	148,204		25,090			25,090	336,218
Title I - Low Income - FY24	84.010	24-4300-00	174,435	143,147	230,663	86,918		317,581	323,514
Title I - Low Income - FY25	84.010	25-4300-00		193,799		312,034		312,034	337,956
IDEA Flow-Through FY23	84.027	23-4620-00	24,419					0	n/a
IDEA Flow-Through FY24	84.027	24-4620-00	232,744	114,440	347,184			347,184	347,701
IDEA Flow-Through FY25 <span style="color: red;">⊖</span>	84.027	25-4620-00		241,407		327,617		327,617	327,943
ARP - IDEA Consolidated	84.027	22-4998-00	10,251					0	n/a
ARP - IDEA Flow-Through	84.027	24-4998-00	28,719		28,719			28,719	28,719
IDEA Preschool Flow-Through FY23	84.173	23-4600-00	1,881					0	n/a
IDEA Preschool Flow-Through FY24	84.173	24-4600-00	6,882	2,144	9,026			9,026	9,026
IDEA Preschool Flow-Through FY25 <span style="color: red;">⊖</span>	84.173	25-4600-00		8,424		11,193		11,193	11,193
Title III - Immigrant Education (IEP) FY24	84.365	24-4905-00	1,700	1,700	1,255	445		1,700	1,700
Title II - Teacher Quality - FY23	84.367	23-4932-00	5,275					0	n/a
Title II - Teacher Quality - FY24	84.367	24-4932-00	23,938	15,164	33,563	5,539		39,102	42,325
Title II - Teacher Quality - FY25	84.367	25-4932-00		22,039		35,157		35,157	42,174
Title IVA- Student Support - FY24	84.424	24-4400-00	2,970	7,446	7,519	2,897		10,416	15,435
Title IVA- Student Support - FY25	84.424	25-4400-00		8,932		17,263		17,263	17,452
Elementary and Secondary Education Emergency Relief - COVID-19	84.425	22-4998-00	502,676					0	n/a
Elementary and Secondary Education Emergency Relief - COVID-19	84.425	23-4998-00	125,936					0	n/a
Elementary and Secondary Education Emergency Relief - COVID-19	84.425	24-4998-E3	1,209,783	641,056	1,843,007	7,832		1,850,839	1,850,839
ARP - IDEA McKinney Vento Homeless	84.425	24-4998-HL	2,245	4,256	6,501			6,501	6,501
Elevating Educators-Bilingual	84.425	24-4998-EB	5,640	9,209	14,849			14,849	21,487
Elevating Educators-Bilingual	84.425	25-4998-EB		6,638		6,638		6,638	6,638
Digital Equity 2	84.425	22-4998-D2	1,249					0	n/a
Digital Equity 3	84.425	23-4998-D3	11,704					0	n/a
<b>TOTAL US DEPARTMENT OF EDUCATION PASSED THROUGH ILLINOIS STATE BOARD OF</b>			<b>2,520,651</b>	<b>1,419,801</b>	<b>2,547,376</b>	<b>813,533</b>			
STATE OF ILLINOIS HEALTHCARE AND FAMILY SERVICES									
Medicaid Administrative Fees - FY24	93.778	24-4991-00	28,390		28,390			28,390	n/a
Medicaid Administrative Fees - FY25	93.778	25-4991-00		39,792		39,792		39,792	n/a
<b>TOTAL STATE OF ILLINOIS HEALTHCARE AND FAMILY SERVICES</b>			<b>28,390</b>	<b>39,792</b>	<b>28,390</b>	<b>39,792</b>			
US DEPARTMENT OF AGRICULTURE PASS THROUGH ILLINOIS STATE BOARD OF EDUCATION									
National School Lunch Program - FY23	10.555	23-4210-00	100,797		100,797			100,797	n/a
National School Lunch Program - FY24 * (m)	10.555	24-4210-00	397,178	84,411	397,178	84,411		481,589	n/a
National School Lunch Program - FY25 * (m)	10.555	25-4210-00		386,927		386,927		386,927	n/a
School Breakfast Program - FY23	10.553	23-4220-00	9,265		9,265			9,265	n/a
School Breakfast Program - FY24 * (m)	10.553	24-4220-00	57,363	11,178	57,363	11,178		68,541	n/a
School Breakfast Program - FY25 * (m)	10.553	25-4220-00		62,938		62,938		62,938	n/a
<b>TOTAL US DEPARTMENT OF AGRICULTURE PASS THROUGH ILLINOIS STATE BOARD OF</b>			<b>564,603</b>	<b>545,454</b>	<b>564,603</b>	<b>545,454</b>			
<b>TOTAL FEDERAL FINANCIAL ASSISTANCE - CASH</b>			<b>3,113,644</b>	<b>2,005,047</b>	<b>3,140,369</b>	<b>1,398,779</b>			
Food Distribution Program - Commodities at Market Value - FY24 - Non Cash	10.555	n/a	42,343		42,343			42,343	n/a
Food Distribution Program - Commodities at Market Value - FY25 - Non Cash * (m)	10.555	n/a		47,608		47,608		47,608	n/a
<b>TOAL FEDERAL FINANCIAL ASSISTANCE - NON-CASH</b>			<b>42,343</b>	<b>47,608</b>	<b>42,343</b>	<b>47,608</b>			
<b>TOTAL FEDERAL FINANCIAL ASSISTANCE - CASH AND NONCASH</b>			<b>3,155,987</b>	<b>2,052,655</b>	<b>3,182,712</b>	<b>1,446,387</b>			

(m) Audited as major

⊖ Special Education Cluster Expended Total = \$338,810

\* Child Nutrition Cluster Expended Total = \$593,062

CHESTER COMMUNITY UNIT SCHOOL DISTRICT 139  
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR JUNE 30, 2025

**NOTE 1 - REPORTING ENTITY BASIS OF PRESENTATION AND ACCOUNTING**

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of Chester Community Unit School District 139 and is presented on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

**NOTE 2 - SUBRECIPIENTS**

None of the federal expenditures presented in the schedule were provided to sub-recipients.

**NOTE 3 - DESCRIPTIONS OF MAJOR FEDERAL PROGRAM**

The Child Nutrition Cluster programs provide funds for nutritious and well-balanced lunches and breakfasts to children.

**NOTE 4 - NON-CASH ASSISTANCE**

Nonmonetary assistance is reported in the schedule at the fair value of the commodities received and disbursed. At June 30, 2025, the District received food commodities totaling \$47,608 from the US Department of Agriculture. This program is part of the Federal Child Nutrition Cluster.

**NOTE 5 - INSURANCE**

The federal programs presented in the previous schedule did not have separate program specific insurance policies.

**NOTE 6 - LOANS/LOAN GUARANTEES/INTEREST SUBSIDIES**

The federal programs presented in the previous schedule did not have any loans, loan guarantees, or interest subsidies associated with them.

**NOTE 7 - DE MINIMIS COST RATE**

The District has not elected to use the 15% de minimis indirect cost rate.

**NOTE 8 - DONATED PERSONAL PROTECTIVE EQUIPMENT**

The District did not receive any donated personal protective equipment during the year ended June 30, 2025.

CHESTER COMMUNITY UNIT SCHOOL DISTRICT 139  
CONSOLIDATED YEAR-END FINANCIAL REPORT  
FOR THE YEAR ENDED JUNE 30, 2025

Program Name	CSFA #	State	Federal	Match	Total
Medical Assistance Program	478-00-0251	-	39,792	-	39,792
Early Childhood Block Grant	586-18-0520	428,593	-	-	428,593
Agriculture Education	586-18-1015	1,818	-	-	1,818
School Breakfast Program	586-18-0406	-	74,116	-	74,116
National School Lunch Program	586-18-0407	-	471,338	-	471,338
Non-Cash Commodity Value	586-18-2330	-	47,608	-	47,608
Fed. - Sp. Ed. - I.D.E.A. - Flow Through	586-64-0417	-	327,617	-	327,617
Fed. - Sp. Ed. - Pre-School Flow Through	586-57-0420	-	11,193	-	11,193
Title I - Low Income	586-62-0414	-	398,952	-	398,952
Title II - Teacher Quality	586-62-0430	-	40,696	-	40,696
Titel III - Immigrant Education Programs	586-18-0428	-	445		445
Title IVA Student Support and Academic Enrichment	586-62-1588	-	20,160	-	20,160
Federal Programs - ESSER	586-62-2402	-	14,470	-	14,470
<b>Total Expenses</b>		<b>\$ 430,411</b>	<b>\$ 1,446,387</b>	<b>\$ -</b>	<b>\$ 1,876,798</b>

## **Other Information**

CHESTER COMMUNITY UNIT SCHOOL DISTRICT 139  
 COMBINING SCHEDULE OF ASSETS, LIABILITIES, AND  
 FUND BALANCES - MODIFIED CASH BASIS  
 MAJOR GOVERNMENTAL FUNDS - GENERAL FUND  
 JUNE 30, 2025

	Education Fund	Operations, Building, and Maintenance Fund	Total
<b>ASSETS</b>			
Assets			
Cash and cash equivalents	\$ 885,669	\$ 557,117	\$ 1,442,786
Certificates of deposit	3,118,547	-	3,118,547
Total assets	<u>\$ 4,004,216</u>	<u>\$ 557,117</u>	<u>\$ 4,561,333</u>
<b>LIABILITIES AND FUND BALANCES</b>			
Liabilities			
None	\$ -	\$ -	\$ -
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances			
Restricted	232,421	-	232,421
Unassigned	3,771,795	557,117	4,328,912
Total fund balances	<u>4,004,216</u>	<u>557,117</u>	<u>4,561,333</u>
Total liabilities and fund balances	<u>\$ 4,004,216</u>	<u>\$ 557,117</u>	<u>\$ 4,561,333</u>



CHESTER COMMUNITY UNIT SCHOOL DISTRICT 139  
 COMBINING SCHEDULE OF ASSETS, LIABILITIES, AND  
 FUND BALANCES - MODIFIED CASH BASIS  
 MAJOR GOVERNMENTAL FUNDS - CAPITAL PROJECTS FUND  
 JUNE 30, 2025

	Site Construction Fund	Fire Prevention and Life Safety Fund	Total
<b>ASSETS</b>			
Assets			
Cash and cash equivalents	\$ 4,113,910	\$ 2,226,586	\$ 6,340,496
Total assets	<u>\$ 4,113,910</u>	<u>\$ 2,226,586</u>	<u>\$ 6,340,496</u>
<b>LIABILITIES AND FUND BALANCE</b>			
Liabilities			
None	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances			
Restricted	<u>4,113,910</u>	<u>2,226,586</u>	<u>6,340,496</u>
Total fund balances	<u>4,113,910</u>	<u>2,226,586</u>	<u>6,340,496</u>
Total liabilities and fund balances	<u>\$ 4,113,910</u>	<u>\$ 2,226,586</u>	<u>\$ 6,340,496</u>

CHESTER COMMUNITY UNIT SCHOOL DISTRICT 139  
 COMBINING SCHEDULE OF REVENUES RECEIVED, EXPENDITURES DISBURSED, AND  
 CHANGES IN FUND BALANCES - MODIFIED CASH BASIS  
 MAJOR GOVERNMENTAL FUNDS - GENERAL FUND  
 FOR THE YEAR ENDED JUNE 30, 2025

	Education Fund	Operations, Building, and Maintenance Fund	Total
REVENUES			
Local sources	\$ 3,169,383	\$ 605,421	\$ 3,774,804
State sources	4,341,034	935,000	5,276,034
Federal sources	1,865,782	145,000	2,010,782
Total direct revenues	9,376,199	1,685,421	11,061,620
Revenues for on-behalf sources	2,787,302	-	2,787,302
Total revenues	12,163,501	1,685,421	13,848,922
EXPENDITURES			
Instruction			
Regular programs	4,418,232	-	4,418,232
Special education programs	1,273,933	-	1,273,933
Other instructional programs	1,659,065	-	1,659,065
Total instruction	7,351,230	-	7,351,230
Support services			
Pupils	428,433	-	428,433
Instructional staff	409,438	-	409,438
General administration	309,810	-	309,810
School administration	688,474	-	688,474
Business and central services	854,334	1,208,304	2,062,638
Total support services	2,690,489	1,208,304	3,898,793
Community services	357,497	-	357,497
Nonprogrammed charges	775,799	-	775,799
Total direct expenditures	11,175,015	1,208,304	12,383,319
Disbursements for on-behalf payments	2,787,302	-	2,787,302
Total expenditures	13,962,317	1,208,304	15,170,621
Excess (deficiency) of revenues over expenditures	(1,798,816)	477,117	(1,321,699)
Fund balances, beginning of year	5,803,032	80,000	5,883,032
Fund balances, end of year	\$ 4,004,216	\$ 557,117	\$ 4,561,333

CHESTER COMMUNITY UNIT SCHOOL DISTRICT 139  
 COMBINING SCHEDULE OF REVENUES RECEIVED, EXPENDITURES DISBURSED, AND  
 CHANGES IN FUND BALANCES - MODIFIED CASH BASIS  
 MAJOR GOVERNMENTAL FUNDS - CAPITAL PROJECTS FUND  
 FOR THE YEAR ENDED JUNE 30, 2025

	Site Construction Fund	Fire Prevention and Life Safety Fund	Total
REVENUES			
Local sources	\$ 1,058,263	\$ 9,620	\$ 1,067,883
State sources	1,113,853	-	1,113,853
Total revenues	<u>2,172,116</u>	<u>9,620</u>	<u>2,181,736</u>
EXPENDITURES			
Support services			
Business and central services	5,408,786	-	5,408,786
Debt service			
Interest on long-term debt	185,535	-	185,535
Principal on long-term debt	140,000	-	140,000
Total expenditures	<u>5,734,321</u>	<u>-</u>	<u>5,734,321</u>
Excess (deficiency) of revenues over expenditures	(3,562,205)	9,620	(3,552,585)
OTHER FINANCING SOURCES			
Bond proceeds	6,355,000	1,705,000	8,060,000
Premium on bonds sold	15,046	100,112	115,158
Excess (deficiency) of revenues over expenditures and other sources	2,807,841	1,814,732	4,622,573
Fund balances, beginning of year	<u>1,306,069</u>	<u>411,854</u>	<u>1,717,923</u>
Fund balances, end of year	<u>\$ 4,113,910</u>	<u>\$ 2,226,586</u>	<u>\$ 6,340,496</u>

CHESTER COMMUNITY UNIT SCHOOL DISTRICT 139  
SCHEDULE OF REVENUES RECEIVED, EXPENDITURES DISBURSED, AND CHANGES IN FUND  
BALANCE - MODIFIED CASH BASIS - BUDGET (MODIFIED CASH BASIS) AND ACTUAL -  
EDUCATION FUND  
FOR THE YEAR ENDED JUNE 30, 2025

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
REVENUES				
Local sources				
Property taxes	\$ 2,188,518	\$ 2,203,008	\$ 2,203,008	-
Mobile home taxes	4,890	-	-	-
Replacement tax	288,832	217,784	217,784	-
Interest earned	56,400	248,690	248,690	-
Food services	56,000	72,156	72,157	1
Pupil activities	714,807	363,623	363,624	1
Other	77,831	64,120	64,120	-
Total local sources	3,387,278	3,169,381	3,169,383	2
State sources				
Unrestricted grants-in-aid				
General state aid	4,900,393	3,640,613	3,640,613	-
Restricted grants-in-aid				
Special education	121,540	132,108	132,107	(1)
Career and technical education	1,818	8,427	8,427	-
School lunch program	5,500	5,740	5,740	-
Drivers education	5,500	11,637	11,637	-
Early childhood - block grant	485,590	541,660	541,660	-
Other state source	850	850	850	-
Total state sources	5,521,191	4,341,035	4,341,034	(1)
Federal sources				
Other restricted grants-in-aid				
Title V	6,474	16,378	16,378	-
School lunch and breakfast	564,806	545,453	545,453	-
Title I	286,185	336,946	336,946	-
IDEA flow through	295,102	366,415	366,415	-
Title III - instruction for english learners	-	1,700	1,700	-
Title III - english language	8,630	2,402	2,402	-
Title II - teacher quality	32,913	37,203	37,204	1
Medicaid matching funds	51,098	44,123	44,123	-
Other federal source	-	515,161	515,161	-
Total federal sources	1,245,208	1,865,781	1,865,782	1
Total direct revenues	10,153,677	9,376,197	9,376,199	2
Revenues for on-behalf sources	-	2,787,302	2,787,302	-
Total revenues	10,153,677	12,163,499	12,163,501	2

(continued on next page)

CHESTER COMMUNITY UNIT SCHOOL DISTRICT 139  
SCHEDULE OF REVENUES RECEIVED, EXPENDITURES DISBURSED, AND CHANGES IN FUND  
BALANCE - MODIFIED CASH BASIS - BUDGET (MODIFIED CASH BASIS) AND ACTUAL -  
EDUCATION FUND  
FOR THE YEAR ENDED JUNE 30, 2025

	Budgeted Amounts			Variance
	Original	Final	Actual	Positive (Negative)
EXPENDITURES				
Instruction				
Regular programs				
Salaries	3,066,938	3,016,016	3,016,017	(1)
Employee benefits	598,274	582,946	666,086	(83,140)
Purchased services	221,570	299,187	299,187	-
Supplies and materials	237,806	274,792	274,793	(1)
Capital outlay	170,799	161,855	161,855	-
Other objects	1,109	294	294	-
Total regular programs	4,296,496	4,335,090	4,418,232	(83,142)
Special education programs				
Salaries	958,877	1,040,701	1,040,701	-
Employee benefits	206,793	217,546	217,547	(1)
Purchased services	253	226	226	-
Supplies and materials	588	324	324	-
Other objects	478	15,135	15,135	-
Total special education programs	1,166,989	1,273,932	1,273,933	(1)
Other instructional programs				
Salaries	693,404	891,901	891,902	(1)
Employee benefits	131,990	143,282	143,283	(1)
Purchased services	157,053	108,493	108,492	1
Supplies and materials	114,178	237,532	237,532	-
Capital outlay	31,777	23,867	23,867	-
Other objects	291,179	251,493	253,989	(2,496)
Total other instructional programs	1,419,581	1,656,568	1,659,065	(2,497)
Total instruction	6,883,066	7,265,590	7,351,230	(85,640)
Support services				
Support services - pupils				
Salaries	242,023	356,273	356,273	-
Employee benefits	241,416	48,022	48,022	-
Purchased services	5,433	631	631	-
Supplies and materials	8,427	22,951	22,951	-
Other objects	400	556	556	-
Total support services - pupils	497,699	428,433	428,433	-
Support services - instructional staff				
Salaries	149,056	291,990	291,990	-
Employee benefits	46,418	81,274	81,274	-
Purchased services	29,166	34,028	32,028	2,000
Supplies and materials	4,840	4,146	4,146	-
Total support services - instructional staff	229,480	411,438	409,438	2,000
Support services - general administration				
Salaries	168,200	176,024	176,023	1
Employee benefits	22,203	25,558	25,558	-
Purchased services	52,736	65,127	67,127	(2,000)
Supplies and materials	11,252	29,827	29,827	-
Other objects	4,902	11,276	11,275	1
Total support services - general administration	259,293	307,812	309,810	(1,998)

(continued on next page)

CHESTER COMMUNITY UNIT SCHOOL DISTRICT 139  
SCHEDULE OF REVENUES RECEIVED, EXPENDITURES DISBURSED, AND CHANGES IN FUND  
BALANCE - MODIFIED CASH BASIS - BUDGET (MODIFIED CASH BASIS) AND ACTUAL -  
EDUCATION FUND  
FOR THE YEAR ENDED JUNE 30, 2025

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
EXPENDITURES (continued)				
Support services (continued)				
Support services - school administration				
Salaries	505,902	544,641	544,641	-
Employee benefits	59,006	50,766	50,766	-
Purchased services	67,101	77,891	77,891	-
Supplies and materials	4,701	11,601	11,602	(1)
Other objects	1,109	3,573	3,574	(1)
Total support services - school administration	637,819	688,472	688,474	(2)
Support services - business and central services				
Salaries	275,311	331,818	331,818	-
Employee benefits	31,751	39,887	39,887	-
Purchased services	26,954	5,346	5,346	-
Supplies and materials	441,893	473,717	473,717	-
Capital outlay	839	2,242	2,242	-
Other objects	3,839	1,324	1,324	-
Non-capitalized equipment	18,000	-	-	-
Total support services - business and central services	798,587	854,334	854,334	-
Total support services	2,422,878	2,690,489	2,690,489	-
Community services	345,861	357,497	357,497	-
Nonprogrammed charges				
Purchased services	528,804	507,524	507,524	-
Other objects	240,811	268,275	268,275	-
Total nonprogrammed charges	769,615	775,799	775,799	-
Total direct expenditures	10,421,420	11,089,375	11,175,015	(85,640)
Disbursements for on-behalf payments	-	2,787,302	2,787,302	-
Total expenditures	10,421,420	13,876,677	13,962,317	(85,640)
Excess (deficiency) of revenues over expenditures	<u>\$ (267,743)</u>	<u>\$ (1,713,178)</u>	(1,798,816)	<u>\$ (85,638)</u>
Fund balance, beginning of year			5,803,032	
Fund balance, end of year			<u>\$ 4,004,216</u>	

CHESTER COMMUNITY UNIT SCHOOL DISTRICT 139  
SCHEDULE OF REVENUES RECEIVED, EXPENDITURES DISBURSED, AND CHANGES IN FUND  
BALANCE - MODIFIED CASH BASIS - BUDGET (MODIFIED CASH BASIS) AND ACTUAL -  
OPERATIONS, BUILDING, AND MAINTENANCE FUND  
FOR THE YEAR ENDED JUNE 30, 2025

	Budgeted Amounts			Variance
	Original	Final	Actual	Positive (Negative)
REVENUES				
Local sources				
Property taxes	\$ 545,649	\$ 547,006	\$ 547,006	\$ -
Replacement tax	-	56,467	56,467	-
Mobile home taxes	1,262	-	-	-
Interest earned	1,416	1,898	1,898	-
Other	-	50	50	-
Total local sources	548,327	605,421	605,421	-
State sources				
Unrestricted grants-in-aid				
General state aid	1,000,000	935,000	935,000	-
Total state sources	1,000,000	935,000	935,000	-
Federal sources				
Restricted grants-in-aid				
Other	-	145,000	145,000	-
Total federal sources	-	145,000	145,000	-
Total revenues	1,548,327	1,685,421	1,685,421	-
EXPENDITURES				
Support services				
Support services - business services				
Salaries	403,184	487,288	487,288	-
Employee benefits	43,523	56,616	56,019	597
Purchased services	242,645	309,387	309,387	-
Supplies and materials	279,191	324,623	324,623	-
Capital outlay	58,031	30,987	30,987	-
Other objects	800	-	-	-
Total support services	1,027,374	1,208,901	1,208,304	597
Total expenditures	1,027,374	1,208,901	1,208,304	597
Excess (deficiency) of revenues over expenditures	\$ 520,953	\$ 476,520	477,117	\$ 597
Fund balance, beginning of year			80,000	
Fund balance, end of year			\$ 557,117	

CHESTER COMMUNITY UNIT SCHOOL DISTRICT 139  
SCHEDULE OF REVENUES RECEIVED, EXPENDITURES DISBURSED, AND CHANGES IN FUND  
BALANCE - MODIFIED CASH BASIS - BUDGET (MODIFIED CASH BASIS) AND ACTUAL -  
MAJOR SPECIAL REVENUE FUND - TRANSPORTATION FUND  
FOR THE YEAR ENDED JUNE 30, 2025

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
REVENUES				
Local sources				
Property taxes	\$ 215,177	\$ 215,711	\$ 215,711	\$ -
Mobile home taxes	510	-	-	-
Interest earned	1,824	1,503	1,503	-
Total local sources	217,511	217,214	217,214	-
State sources				
Unrestricted grants-in-aid				
General state aid	500,000	641,927	641,927	-
Restricted grants-in-aid				
Transportation - regular	410,723	398,135	398,335	200
Transportation - special education	216,490	182,257	182,057	(200)
Total state sources	1,127,213	1,222,319	1,222,319	-
Total revenues	1,344,724	1,439,533	1,439,533	-
EXPENDITURES				
Support services				
Support services - business services				
Salaries	8,139	12,436	12,436	-
Employee benefits	998	1,525	1,525	-
Purchased services	1,110,445	1,285,237	1,285,236	1
Total support services	1,119,582	1,299,198	1,299,197	1
Total expenditures	1,119,582	1,299,198	1,299,197	1
Excess (deficiency) of revenues over expenditures	\$ 225,142	\$ 140,335	140,336	\$ 1
Fund balance, beginning of year			59,920	
Fund balance, end of year			\$ 200,256	



CHESTER COMMUNITY UNIT SCHOOL DISTRICT 139  
SCHEDULE OF REVENUES RECEIVED, EXPENDITURES DISBURSED, AND CHANGES IN FUND  
BALANCE - MODIFIED CASH BASIS - BUDGET (MODIFIED CASH BASIS) AND ACTUAL -  
MAJOR SPECIAL REVENUE FUND - MUNICIPAL RETIREMENT AND SOCIAL SECURITY FUND  
FOR THE YEAR ENDED JUNE 30, 2025

	Budgeted Amounts			Variance
	Original	Final	Actual	Positive (Negative)
REVENUES				
Local sources				
Property taxes	\$ 297,374	\$ 298,114	\$ 298,114	\$ -
Mobile home taxes	525	-	-	-
Replacement tax	-	10,000	10,000	-
Interest earned	4,320	4,615	4,614	(1)
Total local sources	302,219	312,729	312,728	(1)
State sources				
Unrestricted grants-in-aid				
General state aid	-	144,000	144,000	-
Total state sources	-	144,000	144,000	-
Total revenues	302,219	456,729	456,728	(1)
EXPENDITURES				
Instruction				
Regular programs				
Employee benefits	62,691	80,385	80,387	(2)
Special education programs				
Employee benefits	47,297	78,771	57,111	21,660
Other instruction programs				
Employee benefits	32,508	17,068	39,940	(22,872)
Total instruction	142,496	176,224	177,438	(1,214)
Support services				
Support services - pupils				
Employee benefits	17,009	22,177	20,966	1,211
Support services - instructional staff				
Employee benefits	9,656	12,349	12,349	-
Support services - general administration				
Employee benefits	8,951	9,846	9,846	-
Support services - school administration				
Employee benefits	27,179	34,453	34,453	-
Support services - business services				
Employee benefits	112,614	135,153	135,153	-
Total support services	175,409	213,978	212,767	1,211
Community services				
Employee benefits	35,524	36,768	36,768	-
Total expenditures	353,429	426,970	426,973	(3)
Excess (deficiency) of revenues over expenditures	\$ (51,210)	\$ 29,759	29,755	\$ (4)
Fund balance, beginning of year			198,724	
Fund balance, end of year			\$ 228,479	

CHESTER COMMUNITY UNIT SCHOOL DISTRICT 139  
SCHEDULE OF REVENUES RECEIVED, EXPENDITURES DISBURSED, AND CHANGES IN FUND  
BALANCE - MODIFIED CASH BASIS - BUDGET (MODIFIED CASH BASIS) AND  
ACTUAL - MAJOR SPECIAL REVENUE FUND - WORKING CASH FUND  
FOR THE YEAR ENDED JUNE 30, 2025

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
REVENUES				
Local sources				
Property taxes	\$ 51,456	\$ 51,585	\$ 51,584	\$ (1)
Mobile home taxes	116	-	-	-
Interest earned	17,676	11,329	11,328	(1)
Total local sources	69,248	62,914	62,912	(2)
Total revenues	69,248	62,914	62,912	(2)
EXPENDITURES				
None	-	-	-	-
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over expenditures	\$ 69,248	\$ 62,914	62,912	\$ (2)
Fund balance, beginning of year			484,992	
Fund balance, end of year			\$ 547,904	

CHESTER COMMUNITY UNIT SCHOOL DISTRICT 139  
SCHEDULE OF REVENUES RECEIVED, EXPENDITURES DISBURSED, AND CHANGES IN FUND  
BALANCE - MODIFIED CASH BASIS - BUDGET (MODIFIED CASH BASIS) AND ACTUAL -  
MAJOR SPECIAL REVENUE FUND - TORT IMMUNITY FUND  
FOR THE YEAR ENDED JUNE 30, 2025

	Budgeted Amounts			Variance
	Original	Final	Actual	Positive (Negative)
REVENUES				
Local sources				
Property taxes	\$ 129,650	\$ 129,973	\$ 129,974	\$ 1
Mobile home taxes	334	-	-	-
Interest earned	4,608	5,188	5,188	-
Total local sources	134,592	135,161	135,162	1
State sources				
Unrestricted grants-in-aid				
General state aid	200,000	-	-	-
Total state sources	200,000	-	-	-
Total revenues	334,592	135,161	135,162	1
EXPENDITURES				
Support services - general administration				
Purchased services	231,055	301,097	301,097	-
Total support services	231,055	301,097	301,097	-
Total expenditures	231,055	301,097	301,097	-
Excess (deficiency) of revenues over expenditures	<u>\$ 103,537</u>	<u>\$ (165,936)</u>	\$ (165,935)	<u>\$ 1</u>
Fund balance, beginning of year			222,093	
Fund balance, end of year			\$ 56,158	

CHESTER COMMUNITY UNIT SCHOOL DISTRICT 139  
SCHEDULE OF REVENUES RECEIVED, EXPENDITURES DISBURSED, AND CHANGES IN FUND  
BALANCE - MODIFIED CASH BASIS - BUDGET (MODIFIED CASH BASIS) AND  
ACTUAL - BOND AND INTEREST FUND  
MAJOR GOVERNMENTAL FUND - DEBT SERVICE FUND  
FOR THE YEAR ENDED JUNE 30, 2025

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
REVENUES				
Local sources				
Property taxes	\$ 778,422	\$ 780,360	\$ 780,359	\$ (1)
Interest earned	1,824	13,621	13,621	-
Mobile home taxes	1,816	-	-	-
Total local sources	782,062	793,981	793,980	(1)
Total revenues	782,062	793,981	793,980	(1)
EXPENDITURES				
Debt service				
Purchased services	-	-	18,500	(18,500)
Agent fees	1,723	1,272	1,272	-
Interest on long-term debt	112,871	96,336	96,336	-
Principal on long-term debt	625,000	645,000	645,000	-
Total debt service	739,594	742,608	761,108	(18,500)
Total expenditures	739,594	742,608	761,108	(18,500)
Excess (deficiency) of revenues over expenditures	<u>\$ 42,468</u>	<u>\$ 51,373</u>	32,872	<u>\$ (18,501)</u>
Fund balance, beginning of year			<u>583,133</u>	
Fund balance, end of year			<u>\$ 616,005</u>	

CHESTER COMMUNITY UNIT SCHOOL DISTRICT 139  
SCHEDULE OF REVENUES RECEIVED, EXPENDITURES DISBURSED, AND CHANGES IN FUND  
BALANCE - MODIFIED CASH BASIS - BUDGET (MODIFIED CASH BASIS) AND  
ACTUAL - SITE CONSTRUCTION FUND  
MAJOR GOVERNMENTAL FUND - CAPITAL PROJECTS FUND  
FOR THE YEAR ENDED JUNE 30, 2025

	Budgeted Amounts			Variance
	Original	Final	Actual	Positive (Negative)
REVENUES				
Local sources				
School facility occupation tax proceeds	\$ 759,635	\$ 788,256	\$ 788,256	\$ -
Interest earned	27,060	30,508	30,508	-
Other	-	239,499	239,499	-
Total local sources	786,695	1,058,263	1,058,263	-
State sources				
Unrestricted grants-in-aid				
General state aid	-	1,038,853	1,038,853	-
Restricted grants-in-aid				
Construction grant	-	75,000	75,000	-
Total state sources	-	1,113,853	1,113,853	-
Total revenues	786,695	2,172,116	2,172,116	-
EXPENDITURES				
Support services				
Support services - business				
Purchased services	267,440	753,922	753,921	1
Capital outlay	832,154	4,654,865	4,654,865	-
Total support services	1,099,594	5,408,787	5,408,786	1
Debt service				
Interest on long-term debt	54,543	185,535	185,535	-
Principal on long-term debt	140,000	140,000	140,000	-
Total debt service	194,543	325,535	325,535	-
Total expenditures	1,294,137	5,734,322	5,734,321	1
Excess (deficiency) of revenues over expenditures	(507,442)	(3,562,206)	(3,562,205)	1
OTHER FINANCING SOURCES (USES)				
Bond proceeds	-	-	6,355,000	6,355,000
Premium on bonds sold	-	-	15,046	15,046
Excess (deficiency) of revenues over expenditures and other sources (uses)	\$ (1,014,884)	\$ (7,124,412)	(754,364)	\$ 6,370,048
Fund balance, beginning of year			1,306,069	
Fund balance, end of year			\$ 3,359,546	

CHESTER COMMUNITY UNIT SCHOOL DISTRICT 139  
SCHEDULE OF REVENUES RECEIVED, EXPENDITURES DISBURSED, AND CHANGES IN FUND  
BALANCE - MODIFIED CASH BASIS - BUDGET (MODIFIED CASH BASIS) AND  
ACTUAL - FIRE PREVENTION AND LIFE SAFETY FUND  
MAJOR GOVERNMENTAL FUND - CAPITAL PROJECTS FUND  
FOR THE YEAR ENDED JUNE 30, 2025

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
REVENUES				
Local sources				
Interest earned	\$ 5,892	\$ 9,620	\$ 9,620	\$ -
Total local sources	5,892	9,620	9,620	-
Total revenues	5,892	9,620	9,620	-
EXPENDITURES				
None				
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over expenditures	5,892	9,620	9,620	-
OTHER FINANCING SOURCES (USES)				
Bond proceeds	-	-	1,705,000	1,705,000
Premium on bonds sold	-	-	100,112	100,112
Excess (deficiency) of revenues over expenditures and other sources (uses)	\$ 5,892	\$ 9,620	1,814,732	\$ 1,805,112
Fund balance, beginning of year			411,854	
Fund balance, end of year			\$ 2,226,586	

CHESTER COMMUNITY UNIT SCHOOL DISTRICT 139  
NOTES TO OTHER INFORMATION  
JUNE 30, 2025

**NOTE 1 - BUDGETS AND BUDGETARY ACCOUNTING**

The budget for all governmental fund types is prepared on the modified cash basis of accounting which is the same basis that is used in financial reporting. This allows for comparability between budget and actual amounts.

For each fund, total fund expenditures disbursed may not legally exceed the budgeted amounts. The budget lapses at the end of each fiscal year.

The District follows these procedures in establishing the budgetary data reflected in the financial statements.

1. Prior to July 1, the Superintendent submits to the Board of Education a proposed operating budget for the fiscal year commencing on that date. The operating budget includes proposed expenditures disbursed and the means of financing them.
2. The Board of Education conducts a budget review session.
3. A public hearing is conducted to obtain taxpayer comments.
4. The Board of Education does formal adoption of the budget.
5. Formal budgetary integration is employed as a management control device during the year.
6. The Board of Education may make transfers between the various items in any fund not exceeding in the aggregate 10% of the total of such fund as set forth in the budget.
7. The Board of Education may amend the budget (in other ways) by the same procedures required of its original adoption. The budget was amended during fiscal 2025.

**NOTE 2 - EXPENDITURES IN EXCESS OF BUDGET**

The following funds had expenditures in excess of the budgeted amount:

	Budget	Actual
Education Fund	\$ 13,876,677	\$ 13,962,317
Municipal Retirement and Social Security Fund	426,970	426,973
Debt Service Fund	742,608	761,108

**Federal Compliance  
Section**



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**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

To the Board of Education  
Chester Community Unit School District 139

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of the Chester Community Unit School District 139 (the District), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 14, 2025.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, material weaknesses may exist that have not been identified.

## **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. We identified certain deficiencies of noncompliance with other matters, described in the accompanying schedule of findings and questioned costs as Finding 2025-001 that we consider to be material weaknesses and are required to be reported under *Government Auditing Standards*.

### **Chester Community Unit School District 139's Response to Findings**

*Government Auditing Standards* requires the auditor to perform limited procedures on the Chester Community Unit School District 139's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. Chester Community Unit School District 139's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*F.E.W. CPAs*

F.E.W. CPAs  
Columbia, Illinois  
November 14, 2025

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**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND  
ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

To the Board of Education  
Chester Community Unit School District 139

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Federal Program***

We have audited Chester Community Unit School District 139's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Chester Community Unit School District 139's major federal programs for the year ended June 30, 2025. Chester Community Unit School District 139's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, Chester Community Unit School District 139 complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2025.

***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Chester Community Unit School District 139 and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Chester Community Unit School District 139's compliance with the compliance requirements referred to above.

***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Chester Community Unit School District 139's federal programs.

***Auditors' Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Chester Community Unit School District 139's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists.

The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Chester Community Unit School District 139's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Chester Community Unit School District 139's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Chester Community Unit School District 139's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Chester Community Unit School District 139's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### **Report on Internal Control over Compliance**

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

**F.E.W. CPAs**

F.E.W. CPAs  
Columbia, Illinois  
November 14, 2025

**CHESTER COMMUNITY UNIT SCHOOL DISTRICT 139  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2025**

**Section I - Summary of Auditors' Results**

**Financial Statements**

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

Material weaknesses identified        Yes   X   No

Significant deficiencies identified that are  
not considered to be material weaknesses        Yes   X   No

Noncompliance material to  
financial statements noted?   X   Yes        No

**Federal Awards**

Internal control over major programs:

Material weaknesses identified?        Yes   X   No

Significant deficiencies identified that are  
not considered to be material weaknesses        Yes   X   No

Type of auditors' report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported  
in accordance with the Uniform Guidance 2 CFR 200.516(A)        Yes   X   No

**Identification of major programs:**

<u><b>CFDA Numbers</b></u>	<u><b>Name of Federal Program or Cluster</b></u>
----------------------------	--

10.553 & 10.555	Child Nutrition Cluster
-----------------	-------------------------

Dollar threshold used to distinguish between  
Type A and Type B programs: \$ 750,000

Auditee qualified as low risk auditee?        Yes   X   No

**CHESTER COMMUNITY UNIT SCHOOL DISTRICT 139  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2025**

**Section II - Financial Statement Findings**

**2025-001 – Lack of Adherence to Compliance Matters**

**Criteria:** 105 ILCS 5/17-1 requires that total expenditures and transfers not exceed the budgeted expenditures and transfers for any fund.

**Condition:** The District has allowed expenditures and/or transfers to exceed budgeted amounts for the Education and Transportation Funds.

**Cause:** The District did not properly amend their budget for the fiscal year to account for additional expenditures.

**Effect:** The District was not in spending compliance by overspending its budget for the year in these funds.

**Recommendation:** We recommend that the District properly amend their budget in the future to reflect actual expenditures.

**Management Response:** Management is in agreement with the finding and has implemented proper procedures and controls to prevent similar incidents from occurring in the future. Anticipated completion date is June 30, 2026.

**Section III - Federal Award Findings**

There are no federal award findings to disclose.

**Summary Schedule of Prior Audit Findings**

<u>Prior finding number</u>	<u>Condition</u>	<u>Current Status</u>
2024-001	Expenditures exceeding budget	Repeat as 2025-001

# Chester Community Unit School District No. 139

Kimberly Briggs, Superintendent - 1940 Swanwick St. Chester, IL 62233 - (618)826-4509 - (618)826-4500 FAX

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## CHESTER EARLY CHILDHOOD CENTER

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## CHESTER HIGH SCHOOL

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Robin Barton, Assistant Principal  
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## BOARD OF EDUCATION

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Chad Ebers

## CORRECTIVE ACTION PLAN

Finding #2025-001 - 105 ILCS 5/17-1 requires that total expenditures and transfers not exceed the budgeted expenditures and transfers for any fund.

Contact for corrective action: Kimberly Briggs, Superintendent

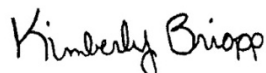
District's response: Concur

Anticipated completion date: June 30, 2026

Corrective Action:

The District agrees with this finding and will implement the following:

- Management will ensure that the budget is properly amended to accurately reflect the expenditures of the District.



Kimberly Briggs, Superintendent  
Chester Community Unit School District 139

**APPENDIX B-1**

**PROPOSED FORM OF OPINION OF BOND COUNSEL  
[2026A BONDS]**

**[LETTERHEAD OF CHAPMAN AND CUTLER LLP]**

**[TO BE DATED CLOSING DATE]**

Community Unit School District Number 139  
Randolph County, Illinois

We hereby certify that we have examined certified copy of the proceedings (the "*Proceedings*") of the Board of Education of Community Unit School District Number 139, Randolph County, Illinois (the "*District*"), passed preliminary to the issue by the District of its fully registered General Obligation Limited Tax School Bonds, Series 2026A (the "*Bonds*"), to the amount of \$\_\_\_\_\_, dated \_\_\_\_\_, 2026, due serially on December 1 of the years and in the amounts and bearing interest as follows:

2029	\$	%
2032		%
2033		%
2034		%

and we are of the opinion that the Proceedings show lawful authority for said issue under the laws of the State of Illinois now in force.

We further certify that we have examined the form of bond prescribed for said issue and find the same in due form of law, and in our opinion said issue, to the amount named, is valid and legally binding upon the District, is payable from any funds of the District legally available for such purpose, and all taxable property in the District is subject to the levy of taxes to pay the same without limitation as to rate, except that the rights of the owners of the Bonds and the enforceability of the Bonds may be limited by bankruptcy, insolvency, moratorium, reorganization and other similar laws affecting creditors' rights and by equitable principles, whether considered at law or in equity, including the exercise of judicial discretion. The amount of said taxes that may be extended to pay the Bonds is limited as provided by the Property Tax Extension Limitation Law of the State of Illinois, as amended (the "*Law*"). The Law provides that the annual amount of said taxes to be extended to pay the Bonds and all other limited bonds (as defined in the Local Government Debt Reform Act of the State of Illinois, as amended) heretofore and hereafter issued by the District shall not exceed the debt service extension base (as defined in the Law) of the District, as more fully described in the Proceedings

It is our opinion that, subject to the District's compliance with certain covenants, under present law, interest on the Bonds is excludible from gross income of the owners thereof for federal income tax purposes and is not includible as an item of tax preference in computing the alternative minimum tax for individuals under the Internal Revenue Code of 1986, as amended (the "*Code*").



Interest on the Bonds may affect the corporate alternative minimum tax for certain corporations. Failure to comply with certain of such District covenants could cause interest on the Bonds to be includible in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds. Ownership of the Bonds may result in other federal tax consequences to certain taxpayers, and we express no opinion regarding any such collateral consequences arising with respect to the Bonds.

It is also our opinion that the Bonds are “qualified tax-exempt obligations” pursuant to Section 265(b)(3) of the Code.

We express no opinion herein as to the accuracy, adequacy or completeness of any information furnished to any person in connection with any offer or sale of the Bonds.

In rendering this opinion, we have relied upon certifications of the District with respect to certain material facts within the District’s knowledge. Our opinion represents our legal judgment based upon our review of the law and the facts that we deem relevant to render such opinion and is not a guarantee of a result. This opinion is given as of the date hereof and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

**APPENDIX B-2**

**PROPOSED FORM OF OPINION OF BOND COUNSEL  
[2026B BONDS]**

**[LETTERHEAD OF CHAPMAN AND CUTLER LLP]**

**[TO BE DATED CLOSING DATE]**

Community Unit School District Number 139  
Randolph County, Illinois

We hereby certify that we have examined certified copy of the proceedings (the "*Proceedings*") of the Board of Education of Community Unit School District Number 139, Randolph County, Illinois (the "*District*"), passed preliminary to the issue by the District of its fully registered General Obligation School Bonds, Series 2026B (the "*Bonds*"), to the amount of \$\_\_\_\_\_, dated \_\_\_\_\_, 2026, due serially on December 1 of the years and in the amounts and bearing interest as follows:

2034	\$	%
2035		%
2036		%
2037		%
2038		%
2039		%
2040		%
2041		%
2042		%
2043		%

the Bonds due on or after December 1, 20\_\_, being subject to redemption prior to maturity at the option of the District as a whole or in part in any order of their maturity as determined by the District (less than all of the Bonds of a single maturity to be selected by the Bond Registrar), on December 1, 20\_\_, or on any date thereafter, at the redemption price of par plus accrued interest to the redemption date, as provided in the Proceedings, and we are of the opinion that the Proceedings show lawful authority for said issue under the laws of the State of Illinois now in force.

We further certify that we have examined the form of bond prescribed for said issue and find the same in due form of law, and in our opinion said issue, to the amount named, is valid and legally binding upon the District and is payable from any funds of the District legally available for such purpose, and all taxable property in the District is subject to the levy of taxes to pay the same without limitation as to rate or amount, except that the rights of the owners of the Bonds and the enforceability of the Bonds may be limited by bankruptcy, insolvency, moratorium, reorganization and other similar laws affecting creditors' rights and by equitable principles, whether considered at law or in equity, including the exercise of judicial discretion.

It is our opinion that, subject to the District's compliance with certain covenants, under present law, interest on the Bonds is excludible from gross income of the owners thereof for federal income tax purposes and is not includible as an item of tax preference in computing the alternative minimum tax for individuals under the Internal Revenue Code of 1986, as amended (the "*Code*"). Interest on the Bonds may affect the corporate alternative minimum tax for certain corporations. Failure to comply with certain of such District covenants could cause interest on the Bonds to be includible in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds. Ownership of the Bonds may result in other federal tax consequences to certain taxpayers, and we express no opinion regarding any such collateral consequences arising with respect to the Bonds.

It is also our opinion that the Bonds are "qualified tax-exempt obligations" pursuant to Section 265(b)(3) of the Code.

We express no opinion herein as to the accuracy, adequacy or completeness of any information furnished to any person in connection with any offer or sale of the Bonds.

In rendering this opinion, we have relied upon certifications of the District with respect to certain material facts within the District's knowledge. Our opinion represents our legal judgment based upon our review of the law and the facts that we deem relevant to render such opinion and is not a guarantee of a result. This opinion is given as of the date hereof and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

**APPENDIX B-3**

**PROPOSED FORM OF OPINION OF BOND COUNSEL  
[2026C BONDS]**

**[LETTERHEAD OF CHAPMAN AND CUTLER LLP]**

**[TO BE DATED CLOSING DATE]**

Community Unit School District Number 139  
Randolph County, Illinois

We hereby certify that we have examined certified copy of the proceedings (the "*Proceedings*") of the Board of Education of Community Unit School District Number 139, Randolph County, Illinois (the "*District*"), passed preliminary to the issue by the District of its fully registered \_\_\_\_% Taxable General Obligation Refunding School Bonds, Series 2026C (the "*Bonds*"), to the amount of \$\_\_\_\_\_, dated \_\_\_\_\_, 2026, and due on December 1, 2032, and we are of the opinion that the Proceedings show lawful authority for said issue under the laws of the State of Illinois now in force.

We further certify that we have examined the form of bond prescribed for said issue and find the same in due form of law, and in our opinion said issue, to the amount named, is valid and legally binding upon the District and is payable from any funds of the District legally available for such purpose, and all taxable property in the District is subject to the levy of taxes to pay the same without limitation as to rate or amount, except that the rights of the owners of the Bonds and the enforceability of the Bonds may be limited by bankruptcy, insolvency, moratorium, reorganization and other similar laws affecting creditors' rights and by equitable principles, whether considered at law or in equity, including the exercise of judicial discretion.

It is our opinion that under present law, interest on the Bonds is includible in gross income of the owners thereof for federal income tax purposes. Ownership of the Bonds may result in other federal income tax consequences to certain taxpayers. Bondholders should consult their own tax advisors concerning tax consequences of ownership of the Bonds.

We express no opinion herein as to the accuracy, adequacy or completeness of any information furnished to any person in connection with any offer or sale of the Bonds.

In rendering this opinion, we have relied upon certifications of the District with respect to certain material facts within the District's knowledge. Our opinion represents our legal judgment based upon our review of the law and the facts that we deem relevant to render such opinion and is not a guarantee of a result. This opinion is given as of the date hereof and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

## APPENDIX C

### PROPOSED FORM OF CONTINUING DISCLOSURE UNDERTAKING FOR THE PURPOSE OF PROVIDING CONTINUING DISCLOSURE INFORMATION UNDER SECTION (b)(5) OF RULE 15c2-12

This Continuing Disclosure Undertaking (this “*Agreement*”) is executed and delivered by Community Unit School District Number 139, Randolph County, Illinois (the “*District*”), in connection with the issuance of \$ \_\_\_\_\_ General Obligation Limited Tax School Bonds, Series 2026A (the “*2026A Bonds*”), \$ \_\_\_\_\_ General Obligation School Bonds, Series 2026B (the “*2026B Bonds*”), and \$ \_\_\_\_\_ Taxable General Obligation Refunding School Bonds, Series 2026C (the “*2026C Bonds*” and, together with the 2026A Bonds and 2026B Bonds, the “*Bonds*”). The Bonds are being issued pursuant to separate resolutions adopted by the Board of Education of the District on the 19th day of February, 2026 (collectively, the “*Resolutions*”)

In consideration of the issuance of the Bonds by the District and the purchase of such Bonds by the beneficial owners thereof, the District covenants and agrees as follows:

1. PURPOSE OF THIS AGREEMENT. This Agreement is executed and delivered by the District as of the date set forth below, for the benefit of the beneficial owners of the Bonds and in order to assist the Participating Underwriters in complying with the requirements of the Rule (as defined below). The District represents that it will be the only obligated person with respect to the Bonds at the time the Bonds are delivered to the Participating Underwriters and that no other person is expected to become so committed at any time after issuance of the Bonds.

2. DEFINITIONS. The terms set forth below shall have the following meanings in this Agreement, unless the context clearly otherwise requires.

*Annual Financial Information* means information of the type contained under the following headings and subheadings of, and in the following exhibits to, the Official Statement:

THE DISTRICT—Enrollment

FINANCIAL INFORMATION AND ECONOMIC CHARACTERISTICS OF THE DISTRICT

—Direct General Obligation Bonds (Principal Only)

—Alternate Revenue Bonds (Principal Only)

—Selected Financial Information (only as it relates to direct debt)

—Composition of EAV

—Trend of EAV

—Taxes Extended and Collected

—School District Tax Rates by Purpose

Exhibit A—Combined Statement of Revenues, Expenditures and Changes in Fund Balance

Exhibit C—General Fund Revenue Sources

*Annual Financial Information Disclosure* means the dissemination of disclosure concerning Annual Financial Information and the dissemination of the Audited Financial Statements as set forth in Section 4.

*Audited Financial Statements* means the audited financial statements of the District prepared pursuant to the principles and as described in *Exhibit I*.

*Commission* means the Securities and Exchange Commission.

*Dissemination Agent* means any agent designated as such in writing by the District and which has filed with the District a written acceptance of such designation, and such agent's successors and assigns.

*EMMA* means the MSRB through its Electronic Municipal Market Access system for municipal securities disclosure or through any other electronic format or system prescribed by the MSRB for purposes of the Rule.

*Exchange Act* means the Securities Exchange Act of 1934, as amended.

*Financial Obligation* of the District means a (a) debt obligation; (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) guarantee of a debt obligation or any such derivative instrument; *provided* that "financial obligation" shall not include municipal securities as to which a final official statement (as defined in the Rule) has been provided to the MSRB consistent with the Rule.

*MSRB* means the Municipal Securities Rulemaking Board.

*Official Statement* means the Official Statement, dated \_\_\_\_\_, 2026, and relating to the Bonds.

*Participating Underwriter* means each broker, dealer or municipal securities dealer acting as an underwriter in the primary offering of the Bonds.

*Reportable Event* means the occurrence of any of the Events with respect to the Bonds set forth in *Exhibit II*.

*Reportable Events Disclosure* means dissemination of a notice of a Reportable Event as set forth in Section 5.

*Rule* means Rule 15c2-12 adopted by the Commission under the Exchange Act, as the same may be amended from time to time.

*State* means the State of Illinois.

*Undertaking* means the obligations of the District pursuant to Sections 4 and 5.

3. CUSIP NUMBERS. The CUSIP Numbers of the Bonds are set forth in *Exhibit III*. All filings required under this Agreement will be filed on EMMA under these CUSIP Numbers. If the Bonds are refunded after the date hereof, the District will also make all filings required under this Agreement under any new CUSIP Numbers assigned to the Bonds as a result of such refunding, to the extent the District remains legally liable for the payment of such Bonds. The District will not make any filings pursuant to this Agreement under new CUSIP Numbers assigned to any of the Bonds after the date hereof for any reason other than a refunding, as described in the previous sentence, including, but not limited to, new CUSIP Numbers assigned to the Bonds as a result of a holder of the Bonds obtaining a bond insurance policy or other credit enhancement with respect to some or all of the outstanding Bonds in the secondary market.

4. ANNUAL FINANCIAL INFORMATION DISCLOSURE. Subject to Section 8 of this Agreement, the District hereby covenants that it will disseminate its Annual Financial Information and its Audited Financial Statements (in the form and by the dates set forth in *Exhibit I*) to EMMA in such manner and format and accompanied by identifying information as is prescribed by the MSRB or the Commission at the time of delivery of such information and by such time so that such entities receive the information by the dates specified. MSRB Rule G-32 requires all EMMA filings to be in word-searchable PDF format. This requirement extends to all documents to be filed with EMMA, including financial statements and other externally prepared reports.

If any part of the Annual Financial Information can no longer be generated because the operations to which it is related have been materially changed or discontinued, the District will disseminate a statement to such effect as part of its Annual Financial Information for the year in which such event first occurs.

If any amendment or waiver is made to this Agreement, the Annual Financial Information for the year in which such amendment or waiver is made (or in any notice or supplement provided to EMMA) shall contain a narrative description of the reasons for such amendment or waiver and its impact on the type of information being provided.

5. REPORTABLE EVENTS DISCLOSURE. Subject to Section 8 of this Agreement, the District hereby covenants that it will disseminate in a timely manner (not in excess of ten business days after the occurrence of the Reportable Event) Reportable Events Disclosure to EMMA in such manner and format and accompanied by identifying information as is prescribed by the MSRB or the Commission at the time of delivery of such information. References to “material” in *Exhibit II* refer to materiality as it is interpreted under the Exchange Act. MSRB Rule G-32 requires all EMMA filings to be in word-searchable PDF format. This requirement extends to all documents to be filed with EMMA, including financial statements and other externally prepared reports. Notwithstanding the foregoing, notice of optional or unscheduled redemption of any Bonds or defeasance of any Bonds need not be given under this Agreement any earlier than the notice (if any) of such redemption or defeasance is given to the Bondholders pursuant to the Resolutions.

6. CONSEQUENCES OF FAILURE OF THE DISTRICT TO PROVIDE INFORMATION. The District shall give notice in a timely manner to EMMA of any failure to provide Annual Financial Information Disclosure when the same is due hereunder.

In the event of a failure of the District to comply with any provision of this Agreement, the beneficial owner of any Bond may seek mandamus or specific performance by court order, to cause the District to comply with its obligations under this Agreement. A default under this Agreement shall not be deemed a default under the Resolutions, and the sole remedy under this Agreement in the event of any failure of the District to comply with this Agreement shall be an action to compel performance.

7. AMENDMENTS; WAIVER. Notwithstanding any other provision of this Agreement, the District by resolution authorizing such amendment or waiver, may amend this Agreement, and any provision of this Agreement may be waived, if:

(a) (i) The amendment or waiver is made in connection with a change in circumstances that arises from a change in legal requirements, including without limitation, pursuant to a “no-action” letter issued by the Commission, a change in law, or a change in the identity, nature, or status of the District, or type of business conducted; or

(ii) This Agreement, as amended, or the provision, as waived, would have complied with the requirements of the Rule at the time of the primary offering, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(b) The amendment or waiver does not materially impair the interests of the beneficial owners of the Bonds, as determined by parties unaffiliated with the District (such as Bond Counsel).

In the event that the Commission or the MSRB or other regulatory authority shall approve or require Annual Financial Information Disclosure or Reportable Events Disclosure to be made to a central post office, governmental agency or similar entity other than EMMA or in lieu of EMMA, the District shall, if required, make such dissemination to such central post office, governmental agency or similar entity without the necessity of amending this Agreement.

8. TERMINATION OF UNDERTAKING. The Undertaking of the District shall be terminated hereunder if the District shall no longer have any legal liability for any obligation on or relating to repayment of the Bonds under the Resolutions.

9. FUTURE CHANGES TO THE RULE. As set forth in Section 1 of this Agreement, the District has executed and delivered this Agreement solely and only to assist the Participating Underwriters in complying with the requirements of the Rule. Therefore, notwithstanding anything in this Agreement to the contrary, in the event the Commission, the MSRB or other regulatory authority shall approve or require changes to the requirements of the Rule, the District shall be permitted, but shall not be required, to unilaterally modify the covenants in this Agreement, without complying with the requirements of Section 7 of this Agreement, in order to comply with, or conform to, such changes. In the event of any such modification of this Agreement, the District shall file a copy of this Agreement, as revised, on EMMA in a timely manner.



10. DISSEMINATION AGENT. The District may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Agreement, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent.

11. ADDITIONAL INFORMATION. Nothing in this Agreement shall be deemed to prevent the District from disseminating any other information, using the means of dissemination set forth in this Agreement or any other means of communication, or including any other information in any Annual Financial Information Disclosure or notice of occurrence of a Reportable Event, in addition to that which is required by this Agreement. If the District chooses to include any information from any document or notice of occurrence of a Reportable Event in addition to that which is specifically required by this Agreement, the District shall have no obligation under this Agreement to update such information or include it in any future disclosure or notice of occurrence of a Reportable Event.

12. BENEFICIARIES. This Agreement has been executed in order to assist the Participating Underwriters in complying with the Rule; however, this Agreement shall inure solely to the benefit of the District, the Dissemination Agent, if any, and the beneficial owners of the Bonds, and shall create no rights in any other person or entity.

13. RECORDKEEPING. The District shall maintain records of all Annual Financial Information Disclosure and Reportable Events Disclosure, including the content of such disclosure, the names of the entities with whom such disclosure was filed and the date of filing such disclosure.

14. ASSIGNMENT. The District shall not transfer its obligations under the Resolutions unless the transferee agrees to assume all obligations of the District under this Agreement or to execute an Undertaking under the Rule.

15. GOVERNING LAW. This Agreement shall be governed by the laws of the State.

COMMUNITY UNIT SCHOOL DISTRICT  
NUMBER 139, RANDOLPH COUNTY, ILLINOIS

By \_\_\_\_\_  
President, Board of Education

Date: \_\_\_\_\_, 2026

**EXHIBIT I**  
**ANNUAL FINANCIAL INFORMATION AND TIMING AND AUDITED**  
**FINANCIAL STATEMENTS**

All or a portion of the Annual Financial Information and the Audited Financial Statements as set forth below may be included by reference to other documents which have been submitted to EMMA or filed with the Commission. If the information included by reference is contained in an Official Statement, the Official Statement must be available on EMMA; the Official Statement need not be available from the Commission. The District shall clearly identify each such item of information included by reference.

Annual Financial Information exclusive of Audited Financial Statements will be submitted to EMMA by 270 days after the last day of the District's fiscal year (currently June 30), beginning with the fiscal year ending June 30, 2026. Audited Financial Statements as described below should be filed at the same time as the Annual Financial Information. If Audited Financial Statements are not available when the Annual Financial Information is filed, Audited Financial Statements will be submitted to EMMA within 30 days after availability to the District.

Audited Financial Statements will be prepared in accordance with accounting principles mandated by the Illinois State Board of Education.

If any change is made to the Annual Financial Information as permitted by Section 4 of the Agreement, the District will disseminate a notice of such change as required by Section 4.

**EXHIBIT II**  
**EVENTS WITH RESPECT TO THE BONDS FOR WHICH**  
**REPORTABLE EVENTS DISCLOSURE IS REQUIRED**

1. Principal and interest payment delinquencies
2. Non-payment related defaults, if material
3. Unscheduled draws on debt service reserves reflecting financial difficulties
4. Unscheduled draws on credit enhancements reflecting financial difficulties
5. Substitution of credit or liquidity providers, or their failure to perform
6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security
7. Modifications to the rights of security holders, if material
8. Bond calls, if material, and tender offers
9. Defeasances
10. Release, substitution or sale of property securing repayment of the securities, if material
11. Rating changes
12. Bankruptcy, insolvency, receivership or similar event of the District\*
13. The consummation of a merger, consolidation, or acquisition involving the District or the sale of all or substantially all of the assets of the District, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material
14. Appointment of a successor or additional trustee or the change of name of a trustee, if material
15. Incurrence of a Financial Obligation, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the District, any of which affect security holders, if material
16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation, any of which reflect financial difficulties

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\* This event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the District in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the District, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the District.

**EXHIBIT III  
CUSIP NUMBERS**

**2026A BONDS**

MATURITY (DECEMBER 1)	CUSIP NUMBER (752533)
2029	
2032	
2033	
2034	

**2026B BONDS**

MATURITY (DECEMBER 1)	CUSIP NUMBER (752533)
2034	
2035	
2036	
2037	
2038	
2039	
2040	
2041	
2042	
2043	

**2026C BONDS**

MATURITY (DECEMBER 1)	CUSIP NUMBER (752533)
2032	

## APPENDIX D

### SPECIMEN MUNICIPAL BOND INSURANCE POLICY



### MUNICIPAL BOND INSURANCE POLICY

ISSUER:

Policy No.: -N

BONDS: \$        in aggregate principal amount of

Effective Date:

Premium: \$

ASSURED GUARANTY INC. ("AG"), for consideration received, hereby UNCONDITIONALLY AND IRREVOCABLY agrees to pay to the trustee (the "Trustee") or paying agent (the "Paying Agent") (as set forth in the documentation providing for the issuance of and securing the Bonds) for the Bonds, for the benefit of the Owners or, at the election of AG, directly to each Owner, subject only to the terms of this Policy (which includes each endorsement hereto), that portion of the principal of and interest on the Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Issuer.

On the later of the day on which such principal and interest becomes Due for Payment or the Business Day next following the Business Day on which AG shall have received Notice of Nonpayment, AG will disburse to or for the benefit of each Owner of a Bond the face amount of principal of and interest on the Bond that is then Due for Payment but is then unpaid by reason of Nonpayment by the Issuer, but only upon receipt by AG, in a form reasonably satisfactory to it, of (a) evidence of the Owner's right to receive payment of the principal or interest then Due for Payment and (b) evidence, including any appropriate instruments of assignment, that all of the Owner's rights with respect to payment of such principal or interest that is Due for Payment shall thereupon vest in AG. A Notice of Nonpayment will be deemed received on a given Business Day if it is received prior to 1:00 p.m. (New York time) on such Business Day; otherwise, it will be deemed received on the next Business Day. If any Notice of Nonpayment received by AG is incomplete, it shall be deemed not to have been received by AG for purposes of the preceding sentence and AG shall promptly so advise the Trustee, Paying Agent or Owner, as appropriate, who may submit an amended Notice of Nonpayment. Upon disbursement in respect of a Bond, AG shall become the owner of the Bond, any appurtenant coupon to the Bond or right to receipt of payment of principal of or interest on the Bond and shall be fully subrogated to the rights of the Owner, including the Owner's right to receive payments under the Bond, to the extent of any payment by AG hereunder. Payment by AG to the Trustee or Paying Agent for the benefit of the Owners shall, to the extent thereof, discharge the obligation of AG under this Policy.

Except to the extent expressly modified by an endorsement hereto, the following terms shall have the meanings specified for all purposes of this Policy. "Business Day" means any day other than (a) a Saturday or Sunday or (b) a day on which banking institutions in the State of New York or the Insurer's Fiscal Agent are authorized or required by law or executive order to remain closed. "Due for Payment" means (a) when referring to the principal of a Bond, payable on the stated maturity date thereof or the date on which the same shall have been duly called for mandatory sinking fund redemption and does not refer to any earlier date on which payment is due by reason of call for redemption (other than by mandatory sinking fund redemption), acceleration or other advancement of maturity unless AG shall elect, in its sole discretion, to pay such principal due upon such acceleration together with any accrued interest to the date of acceleration and (b) when referring to interest on a Bond, payable on the stated date for payment of interest. "Nonpayment" means, in respect of a Bond, the failure of the Issuer to have provided sufficient funds to the Trustee or, if there is no Trustee, to the Paying Agent for payment in full of all principal and interest that is Due for Payment on such Bond. "Nonpayment" shall also include, in respect of a Bond, any payment of principal or interest that is Due for Payment made to an Owner by or on behalf of the Issuer which has been recovered from such Owner pursuant to the United States Bankruptcy Code by a trustee in bankruptcy in accordance with a final, nonappealable order of a court having competent jurisdiction. "Notice" means telephonic or telecopied notice, subsequently confirmed in a signed writing, or written notice by registered or certified mail, from an Owner, the Trustee or the Paying Agent to AG which notice shall specify (a) the person or entity making the claim, (b) the Policy Number, (c) the claimed amount and (d) the date such claimed amount became Due for Payment. "Owner" means, in respect of a Bond, the person or entity who, at the time of Nonpayment, is entitled under the terms of such Bond to payment thereof, except that "Owner" shall not include the Issuer or any person or entity whose direct or indirect obligation constitutes the underlying security for the Bonds.

AG may appoint a fiscal agent (the "Insurer's Fiscal Agent") for purposes of this Policy by giving written notice to the Trustee and the Paying Agent specifying the name and notice address of the Insurer's Fiscal Agent. From and after the date of receipt of such notice by the Trustee and the Paying Agent, (a) copies of all notices required to be delivered to AG pursuant to this Policy shall be simultaneously delivered to the Insurer's Fiscal Agent and to AG and shall not be deemed received until received by both and (b) all payments required to be made by AG under this Policy may be made directly by AG or by the Insurer's Fiscal Agent on behalf of AG. The Insurer's Fiscal Agent is the agent of AG only and the Insurer's Fiscal Agent shall in no event be liable to any Owner for any act of the Insurer's Fiscal Agent or any failure of AG to deposit or cause to be deposited sufficient funds to make payments due under this Policy.

To the fullest extent permitted by applicable law, AG agrees not to assert, and hereby waives, only for the benefit of each Owner, all rights (whether by counterclaim, setoff or otherwise) and defenses (including, without limitation, the defense of fraud), whether acquired by subrogation, assignment or otherwise, to the extent that such rights and defenses may be available to AG to avoid payment of its obligations under this Policy in accordance with the express provisions of this Policy.

This Policy sets forth in full the undertaking of AG, and shall not be modified, altered or affected by any other agreement or instrument, including any modification or amendment thereto. Except to the extent expressly modified by an endorsement hereto, (a) any premium paid in respect of this Policy is nonrefundable for any reason whatsoever, including payment, or provision being made for payment, of the Bonds prior to maturity and (b) this Policy may not be canceled or revoked. THIS POLICY IS NOT COVERED BY THE PROPERTY/CASUALTY INSURANCE SECURITY FUND SPECIFIED IN ARTICLE 76 OF THE NEW YORK INSURANCE LAW.

In witness whereof, ASSURED GUARANTY INC. has caused this Policy to be executed on its behalf by its Authorized Officer.

ASSURED GUARANTY INC.

By \_\_\_\_\_  
Authorized Officer

1633 Broadway, New York, N.Y. 10019

(212) 974-0100

Form 500 (8/24)